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VANCOUVER ISLAND/COAST

Creating Demand: Intra-Regional Air Services Enhancement Study

The Report of the Business Development Task Force

Recommendations to the
Honourable Howard Dirks
Minister of Development, Trade and Tourism

Prepared by Horizon Pacific Ventures Ltd.
Research by Gomme Associates
May 1991

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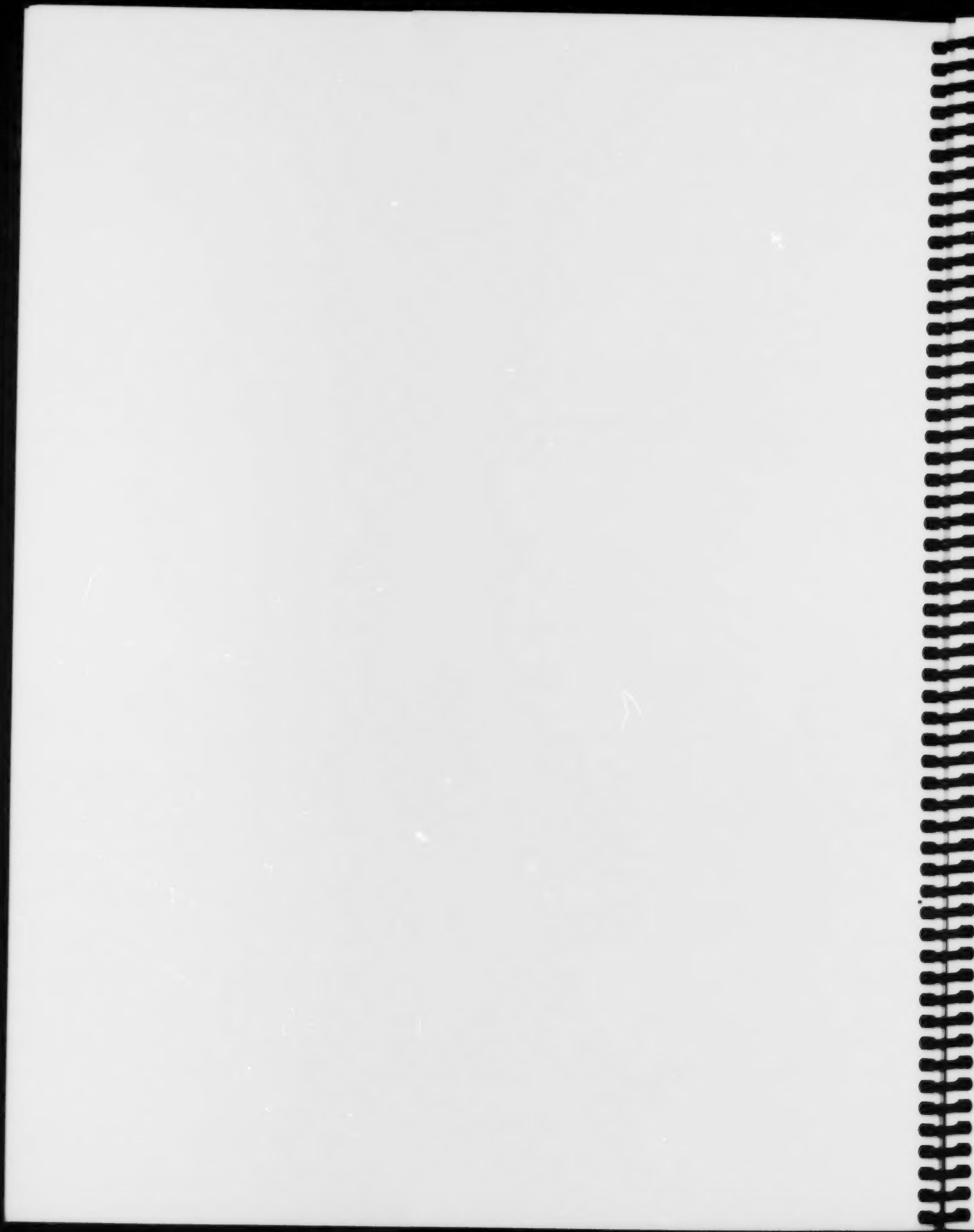
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This report presents recommendations to the Minister of Development, Trade and Tourism, the Honourable Howard Dirks. It reviews the feasibility of intra-regional air services in the Vancouver Island/Coast Region. It also highlights what communities can do to create demand for air services and attract air carriers. The report was prepared under the direction of the Business Development Task Force by Horizon Pacific Ventures Ltd., with background research collected by Gomme Associates.

VANCOUVER ISLAND/COAST BUSINESS DEVELOPMENT TASK FORCE MEMBERS

Chairman: Jack Turner, Chairman, Comox/Strathcona Regional District

Members: Mike Colclough, Economic Development Officer, Kwakiutl District Council, Port Hardy

Ken Hutchinson, Past President, Vancouver Island Developers Economic Association (VIDEA), Port Alberni

Bill Lesage, Parksville Chamber of Commerce, Parksville

Patrick Marshall, Economic Development Officer, District of Campbell River, Campbell River

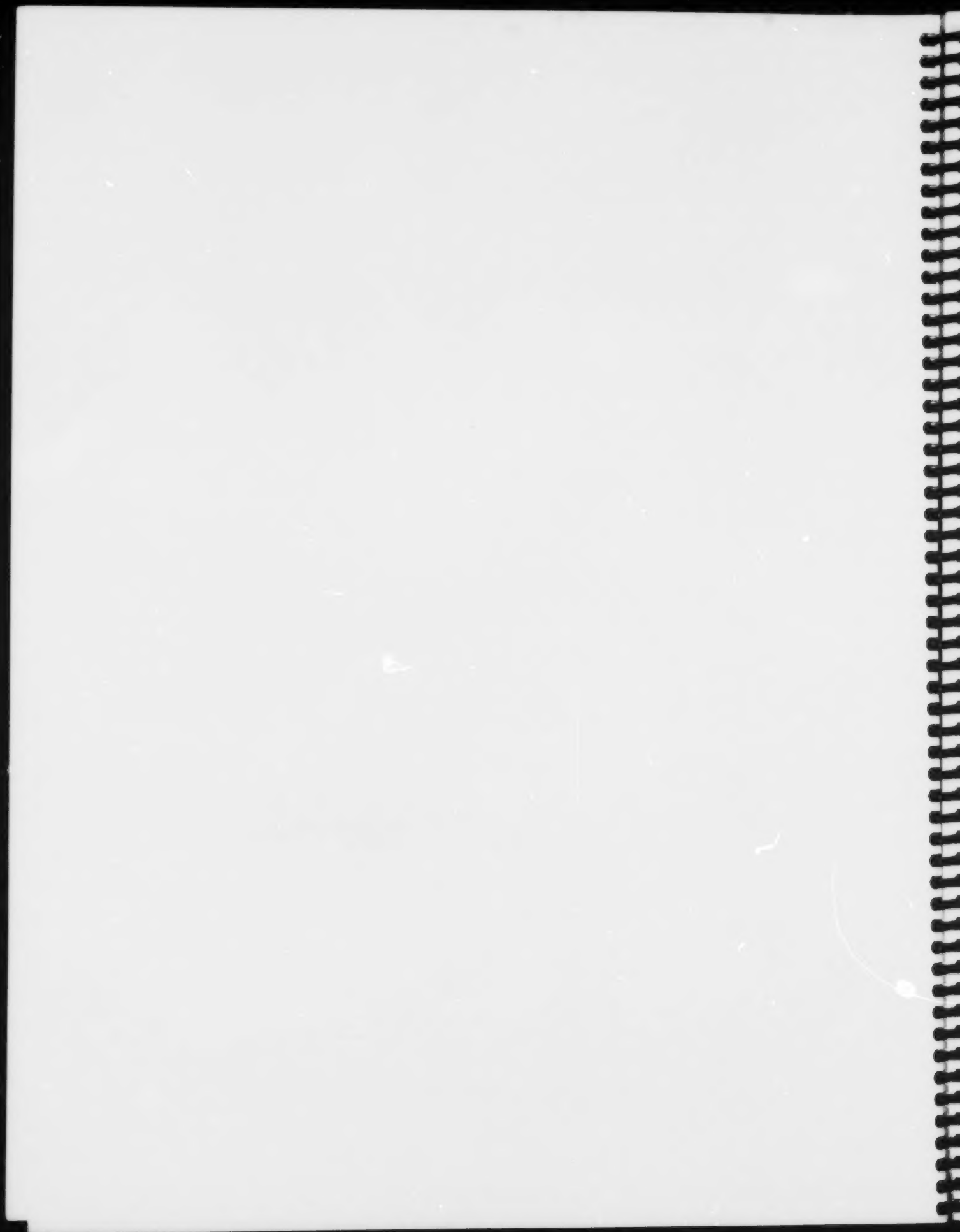
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Vancouver Island/Coast Region

Lisa Gow, Regional Development Officer
Vancouver Island/Coast Region



PREFACE

As chairman of the Business Development Task Force for the Vancouver Island/Coast Region, I am pleased to present this report in the hope that it will be widely read, discussed, and acted upon.

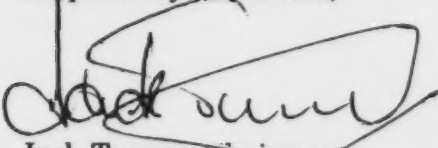
I would like to thank the Honourable Howard Dirks, Minister of Development, Trade and Tourism, and the Honourable Stan Hagen, Minister responsible for the Vancouver Island/Coast Region, for their energy and commitment to the future economic development of our region.

The Vancouver Island/Coast Region is evolving beyond a dependence on the export of raw resources for economic stability. The region's communities have tourism, flexible manufacturing, value-added processing, aquaculture, knowledge-based or "high-technology" industry, investment and global trade ambitions. The creative individuals who drive these industries are attracted to the superior quality of life offered by the region.

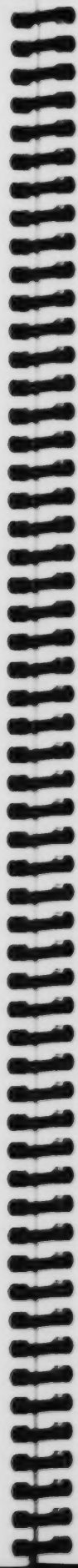
These industries require the high-speed linkages provided by air transportation in order to reach the international marketplace. Existing linkages through Vancouver and Seattle to these markets are inefficient. Enhancing intra-regional services will result in the creation of new, more efficient air linkages to the outside world. This is essential to improve the region's competitive position in the global marketplace.

This report from the Business Development Task Force provides a concrete plan of co-ordination and action for supporting the region's economic development and diversification through enhanced air services. It is up to the communities and all levels of government to work together to ensure this strategy succeeds.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Jack Turner', is written over a horizontal line.

Jack Turner, Chairman
Business Development Task Force



EXECUTIVE SUMMARY

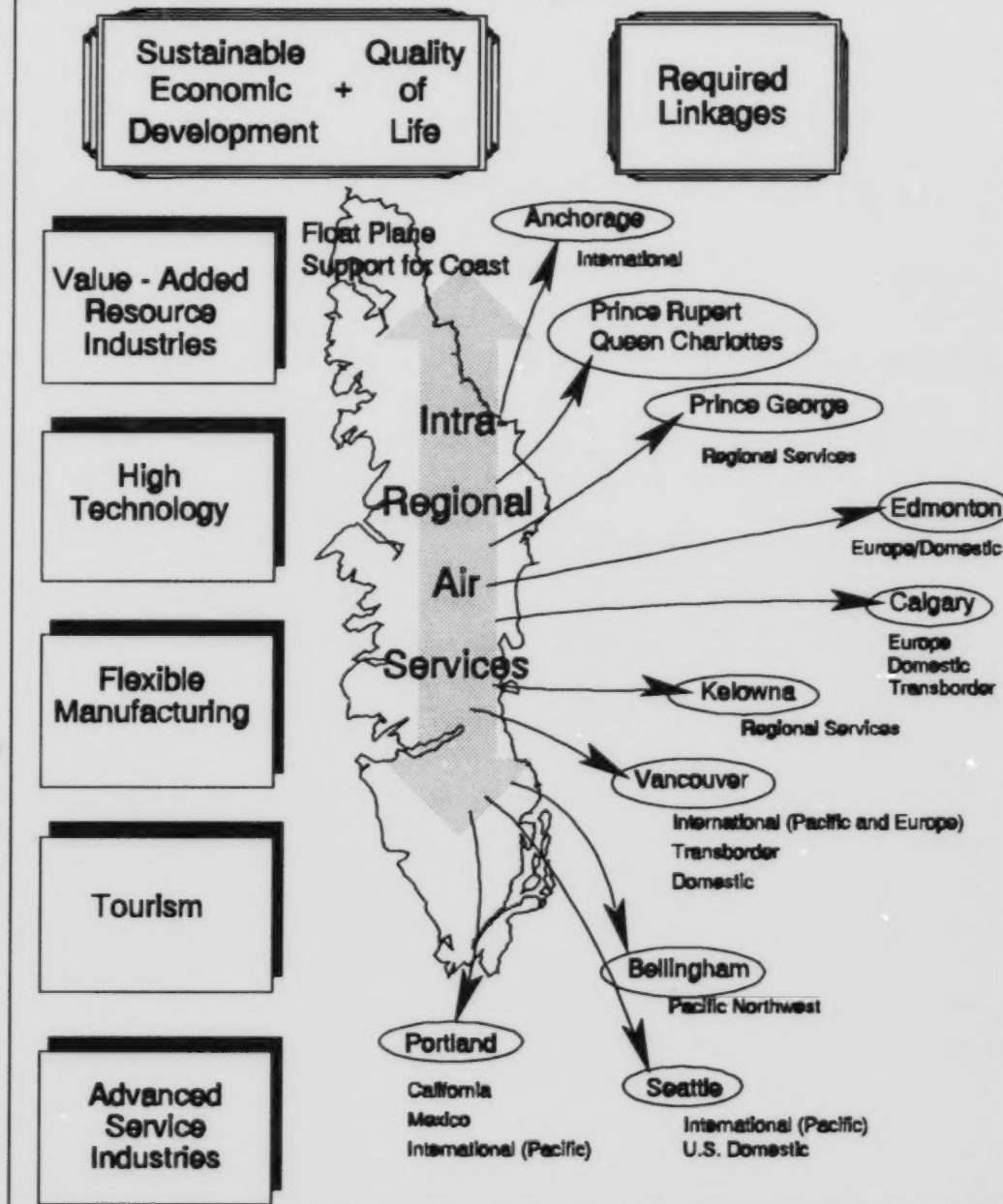
Enhancing the Vancouver Island/Coast Region's intra-regional air services requires an aggressive, co-ordinated, multi-player approach. This is required to overcome the stigma that the region suffers due to the intra-regional air services that failed in the past. These services were multi-stop "milk runs" using six- to 10-seat aircraft running up and down the Island. Given their unsuccessful history, is there reason to believe that intra-regional air services – identified as a priority by the region – could be successful?

Much has changed since the embryonic regional air services were attempted, and the region is undergoing a new step in its economic evolution. Gone are the days of pure raw resource extraction. Instead, the Vancouver Island/Coast economy is becoming a sophisticated, if still relatively small-scale, collection of manufacturing, trade and service industries. What was once considered a "sleepy" economic region is now a collection of communities diversifying into industries such as high technology, tourism, value-added and flexible manufacturing, aquaculture and high-quality services. This, combined with a high quality of life, provides the region with a renewed ability and desire to create demand for increased scheduled air services. This "future vision" for the region is summarized in Figure S-1.

As well, the regional air carriers and the travelling public have increased in sophistication since airline deregulation. Smaller aircraft are more accepted and carriers provide better-quality small-scale service than before: computer reservation systems and other marketing techniques can now be used to promote new routes; tourism, investment, and industrial policy are being co-ordinated with transportation strategies; and communities are more aware of the growing importance of air linkages.

Enhancing intra-regional air services will not be an easy task until both the Island/Coast communities and government recognize that *demand for these services must be created*. The North American air transportation industry –

Figure S - 1
Vancouver Island/Coast: A Future Vision
Building With Air Transport



Source: Horizon Pacific Ventures Ltd., October 1990.

rightly or wrongly — is very cautious by nature. Most carriers will enter a market only if the *existing* demand justifies service, and the Island/Coast's proven demand for air transport is thin. *Potential* demand is only a minor factor in air route planning. The industry's profit margins are so tight that air carriers believe that they cannot undertake risks with new services. This basic fact must be recognized by all communities desiring improved air linkages.

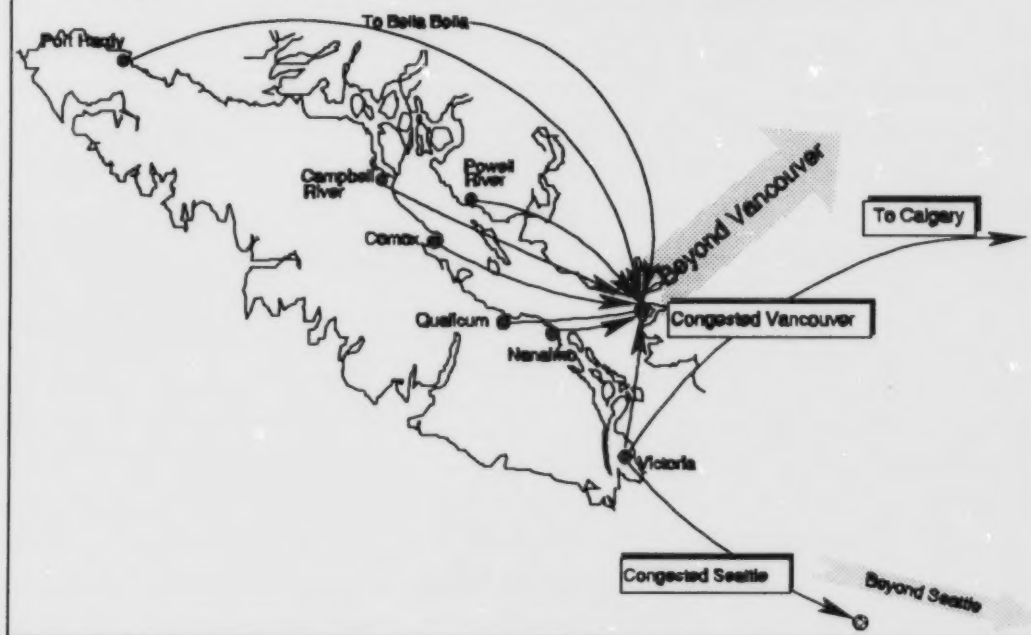
Existing demand for air services must be proven to air carriers. Therefore, this document presents the services for the region that have the most potential in an extremely conservative manner.

However, this report's target audience is not solely the air carriers. The responsibility for the creation of demand, and removal of barriers to service, requires a partnership between the communities, governments, and carriers. If a community wants air services, the community has a responsibility to fill seats on the carrier(s) serving the airport. Assuming that government believes that air transportation is important for economic development, and regions asking for improved air services are to be supported, then both local and provincial governments must be willing to consider lowering barriers to entry and sharing the service development risk.

The development of intra-regional air services is especially important to the Vancouver Island/Coast Region because effectively all air services are routed through Vancouver, Canada's second-most-congested airport, as symbolized in Figure S-2. This "isolates" the region from the North American air system, creating a barrier to tourism and business. By enhancing *intra*-regional air services, the region takes the first step towards creating improved *inter*-regional air services. In the long run, this will reduce the region's dependence on Vancouver International Airport.

Communities must also understand what characteristics they desire in air services and if their expectations are realistic. This is summarized in Table S-1. Note that demand for intra-regional air services will *not* support 37-seat "Dash-8 type" service. Instead, communities should focus on regularly scheduled services with eight- to 12-seat aircraft.

Figure S - 2
Existing Scheduled Air Services: An Island "Cut-Off"



Existing scheduled air services recognized by computer reservation systems are presented in Figure S-3. By this measure, the community best connected to the other communities in the region is Campbell River, followed by Comox, Victoria, Nanaimo, Port Hardy and Powell River. As shown in Figure S-4, Victoria's airport dominates passenger traffic in the region, followed by Nanaimo, Campbell River, Comox, Port Hardy and Powell River.

A player in any program to enhance intra-regional air services is the provincial government, through its employee travel. At present, 93 per cent of intra-regional provincial government travel occurs by car. However, on nine of the 15 main routes in the region, travel by air would be less expensive for government employees than travel by car. These routes are highlighted in Table S-2. If all provincial travel on these nine routes switched from surface to air travel, the annual savings to the provincial government are estimated

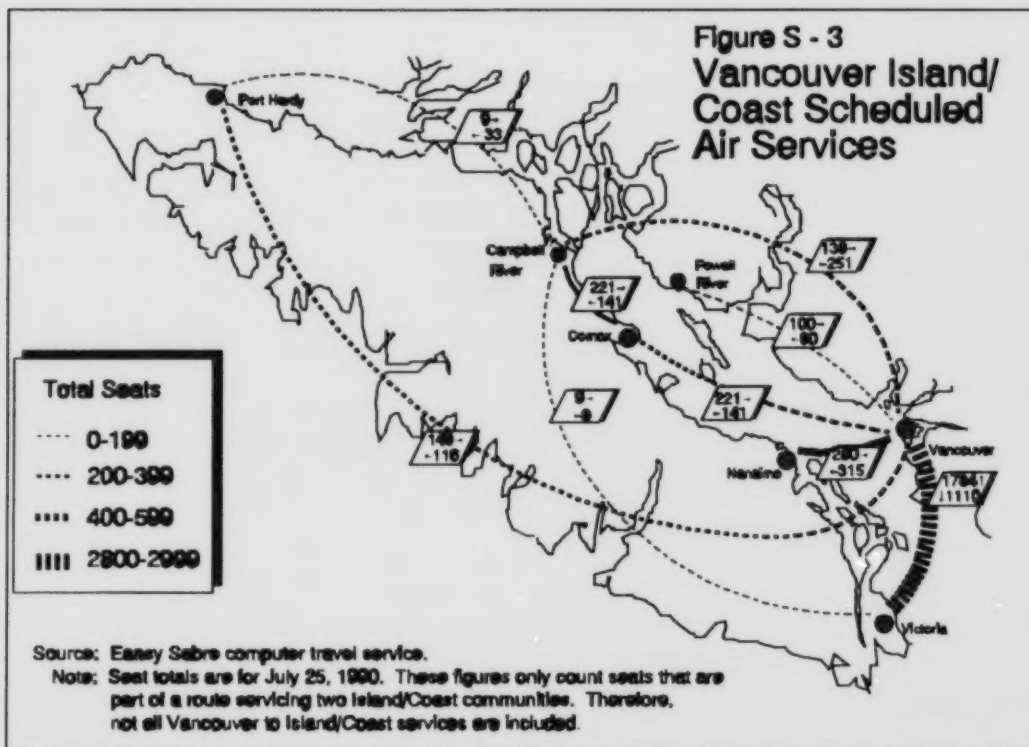
Table S - 1

**Building an Island/Coast Intra-Regional Air System
Knowing What Service Characteristics You Want**

Aircraft	Nine to 15 seats, good physical appearance, superior maintenance.
Frequency	Four round trips per day (even if this means using smaller aircraft) building up to seven (long-term).
Schedule	Arrival at destination for morning, noon, end of business day, and evening. Allows for half day as well as full day of business.
Connections	Must connect well with other flights serving the destination.
Presence	Someone at airport to answer questions, assist passengers (not necessarily full time), signage, professional schedules.
Price	Not as "cheap as possible," but rather a fair price that supports maintenance of equipment and extensive promotion of the service.
Reliability	Cannot just "fly if there's the demand today."
Routing	Same-plane service with no more than two stops.
Marketing	Willing to work closely with community.

Source: Horizon Pacific Ventures Limited, October 1990.

to be \$167,000. An estimated direct service between Nanaimo and Port Hardy alone would save \$94,000, followed by Victoria-Comox (\$25,011) and Victoria-Campbell River (\$24,796). Service on these three routes would capture 86 per cent of the total potential savings for the region. In addition to these savings, an intra-regional air system could decrease air fare between the Island/Coast communities by an average of 39 per cent.



The savings to the province listed above do not include savings resulting from lower air fares. Including savings from reductions in the price of air fares, it is estimated the provincial government could save \$245,000 each year on existing travel if scheduled air service were provided throughout the region. Total savings for all existing intra-regional traffic, including government, just from lower air fares would be about \$187,000 per year or \$93 each return ticket. Table S-3 summarizes the estimated annual demand for intra-regional air services. Note that these calculations are extremely conservative.

However, none of the above is likely to occur if a laissez-faire attitude is adopted. Demand for air services must be created through community-government-carriers partnerships.

The following outlines the recommendations for action. Figure S-5 illustrates this overall strategy:

1. Local air transportation marketing committees should be formed in each community, focused on the promotion of regional air transportation linkages. These committees should:
 - fund marketing activities through a small passenger user fee;
 - in partnership with all local carriers, focus on ways to increase the level of traffic on the carriers, through marketing activities and service improvements; there are at least 30 air firms capable of providing service to the Vancouver Island/Coast Region;
 - evaluate existing travel policies with respect to lost labour costs, overnight and meal expenses, and locations of regional meetings, in order that air services are utilized when economically feasible;
 - ensure that all existing promotional publications and newsletters make reference to carriers and services provided by them for both passengers and cargo;
 - ensure that everyone in the region is aware of existing air services, and the savings and marketing benefits that can be gained by using their services, rather than focusing on attracting new services; by supporting what is existing, carriers can see that any new services will be backed up by the community;
 - produce a quarterly report on air service, both passenger and cargo, outlining the airport activities, air services and pricing, and ties to business and the community; to attract additional air cargo usage, provide basic information about different shipping options, rates, and delivery times so that businesses as needing "same-day" delivery are aware of the services provided;

- establish local airport authorities with a mandate to support the economic activities of the entire region in the long term; and
 - support the recommendations of the Vancouver Island/Coast Transportation Task Force with respect to upgrading the region's air facilities to attract scheduled service.
2. A regional air services enhancement task force should be established to combine the individual efforts of the community committees. Each community should have a member on this task force, preferably someone who is active in the local air services committee.
 3. The provincial government should initiate a variety of initiatives designed to lower barriers to air services. The government should:
 - survey all licenced businesses in targeted communities to determine their exact transportation needs and who makes travel decisions at the firm, to supplement the cursory private-sector study initiated in this analysis (the resulting contact list, and demand for routings, would be distributed to all carriers);
 - conduct an on-going analysis of existing air carrier routing patterns and traffic flows using raw data collected by Statistics Canada, on a small community/carrier basis, to supplement the analysis currently undertaken;
 - initiate a computer reservation system to service smaller carriers, which will communicate purchases and maintain a seat inventory for small carriers (this will allow direct ticket purchases, using smaller carriers for the final leg);
 - utilize existing regional tourism and development promotional materials to promote existing air carriers and services, and develop Vancouver Island/Coast-by-air materials that focus on both passenger and cargo traffic for business consumption; and

- encourage provincial government employees to travel by air where economically justified, based on an analysis of labour costs, accommodation and meal expense savings.
5. The provincial government should enter into a financial risk-sharing program in conjunction with local governments and the carriers. While there are several successful examples of risk-sharing programs in the United States which in the end did not cost the government any of the funding that it put up front, this would be the first program of its type in Canada.

Table S-2(a) Target Routes for Vancouver Island/Coast Intra-Regional Air Services Assuming Program to Convert All Provincial Employee Surface Travel into Air Traffic				
Rank	Route	Absolute Minimum Daily One-Way Demand (1)	Estimated Provincial Government Savings	Rough Fare Estimate
1	Comox-Victoria	7.5	\$40,504 (2)	\$202
2	Campbell River-Victoria	5.5	\$40,452	\$226
3	Nanaimo-Port Hardy	5.4	\$94,054	\$161
4	Port Hardy-Victoria	5.2	\$25,545	\$323
5	Port Hardy-Campbell River	3.2	\$3,712	\$153
6	Victoria-Powell River	1.5	\$33,264	\$200
7	Port Hardy-Comox	0.6	\$5,037	\$242
8	Nanaimo-Powell River	0.5	\$4,403	\$128
9	Port Hardy-Powell River	0.0	\$0	\$248

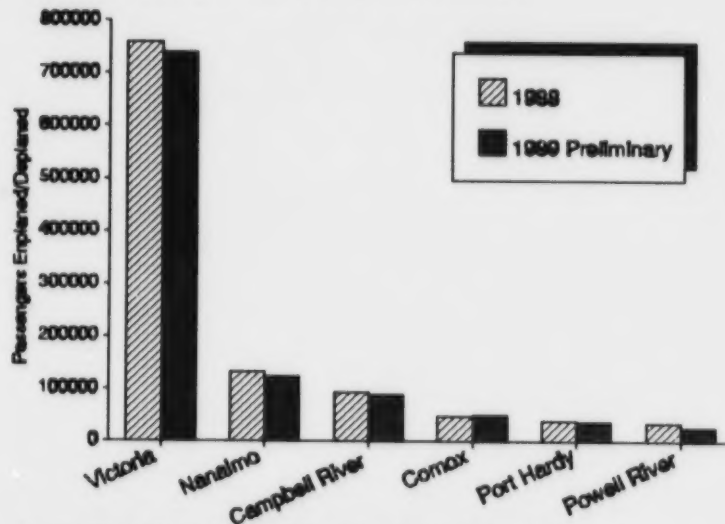
Table S-2(b) Target Routes With No Government Support Program Assumes Only One-Half Government Surface Traffic Converts to Air			
Rank	Route	Absolute Minimum Daily One-Way Demand (1)	
1	Port Hardy-Victoria	5.1	
2	Comox-Victoria	5.0	
3	Campbell River-Victoria	4.1	
4	Port Hardy-Nanaimo	3.2	
5	Port Hardy-Campbell River	2.6	
6	Powell River-Victoria	1.8	
7	Port Hardy-Comox	0.3	
8	Nanaimo-Powell River	0.2	
9	Port Hardy-Powell River	0.0	

Table S-2(c) Potential Routings With No Government Support Program Assumes Only One-Half Government Surface Traffic Converts to Air			
Rank	Route	Absolute Minimum Daily One-Way Demand (1)	Comments
1	Port Hardy-Comox-Victoria	12.8	Must connect with flights to Seattle, Calgary, and points out of Port Hardy.
2	Campbell River-Comox-Victoria	9.1	Possibly part of a loop with Vancouver.
3	Nanaimo-Port Hardy	3.2	Probably as part of a Vancouver-Nanaimo-Port Hardy routing. (3)
4	Port Hardy-Campbell River-Victoria	11.9	Must connect with flights to Seattle, Calgary, and points out of Port Hardy.

Notes (1) Does not include any new federal or tourism traffic, any multiplier, or any "unaccounted" municipal or corporate travel. (2) Includes savings from decreased air fares. (3) Existing traffic from Vancouver to Port Hardy is 75 one-way trips per day.			
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Source: Horizon Pacific Ventures Ltd., October 1990.

Figure S - 4
Enplaned and Deplaned Passengers
Vancouver Island/Coast Communities



Sources: Ralph Heika, Aviation Statistics Centre, Statistics Canada, Ottawa.
Note: This data does not include small charter operations.

The Vancouver Island/Coast Region has always possessed a unique quality of life and economic potential that arguably rivals all other regions of the country. If the area is to continue its growth and thrive in the increasingly international marketplace, it *must* enhance its regional air services and reduce its dependence on Vancouver International Airport. Air services are the economic blood lines for any community hoping to support aggressive, high value-added, environmentally sound industries. Without this, even the best investment or development strategy is severely handicapped. An aggressive, *demand creation* approach to air services is required if the region is to realize its full potential as "Canada's far-west opportunity." Assisting this process is the basic purpose of this document.

Figure S - 5
Steps to Enhancing Intra-Regional Air Services



Source: Horizon Pacific Ventures Limited, October 1990.

Table S-2(a)**Target Routes for Vancouver Island/Coast Intra-Regional Air Services****Assuming Program to Convert All Provincial Employee Surface Travel into Air Traffic**

Rank	Route	Absolute Minimum Daily One-Way Demand (1)	Estimated Provincial Government Savings	Rough Fare Estimate
1	Comox-Victoria	7.5	\$40,504 (2)	\$202
2	Campbell River-Victoria	5.5	\$40,452	\$226
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4	Port Hardy-Victoria	5.2	\$25,546	\$323
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6	Victoria-Powell River	1.6	\$33,264	\$200
7	Port Hardy-Comox	0.6	\$5,037	\$242
8	Nanaimo-Powell River	0.5	\$4,403	\$128
9	Port Hardy-Powell River	0.0	\$0	\$248

Table S-2(b)**Target Routes With No Government Support Program****Assumes Only One-Half Government Surface Traffic Converts to Air**

Rank	Route	Absolute Minimum Daily One-Way Demand (1)	
1	Port Hardy-Victoria	5.1	
2	Comox-Victoria	5.0	
3	Campbell River-Victoria	4.1	
4	Port Hardy-Nanaimo	3.2	
5	Port Hardy-Campbell River	2.6	
6	Powell River-Victoria	1.6	
7	Port Hardy-Comox	0.3	
8	Nanaimo-Powell River	0.2	
9	Port Hardy-Powell River	0.0	

Table S-2(c)**Potential Routings With No Government Support Program****Assumes Only One-Half Government Surface Traffic Converts to Air**

Rank	Route	Absolute Minimum Daily One-Way Demand (1)	Comments
1	Port Hardy-Comox-Victoria	12.8	Must connect with flights to Seattle, Calgary, and points out of Port Hardy.
2	Campbell River-Comox-Victoria	9.1	Possibly part of a loop with Vancouver.
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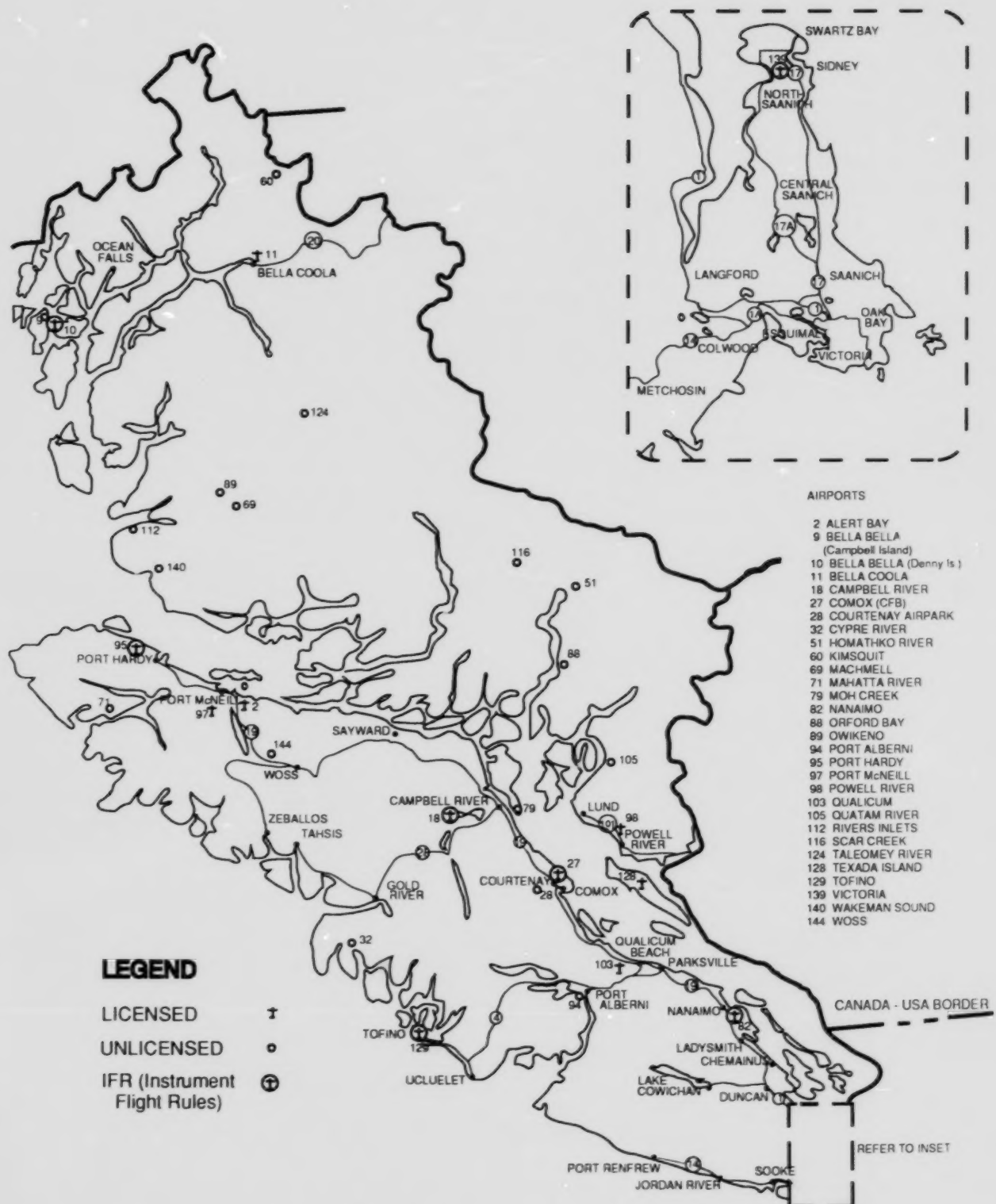
Notes

(1) Does not include any new federal or tourism traffic, any multiplier, or any "unaccounted" municipal or corporate travel.

(2) Includes savings from decreased air fares.

(3) Existing traffic from Vancouver to Port Hardy is 75 one-way trips per day.

Figure S-6
Region One - Airport Locations



Source: A Transportation Planning Overview for the Province of British Columbia, Volume 4, Vancouver Island/Coast Region
October 1988, Province of British Columbia Ministry of Transportation and Highways

INTRODUCTION

Enhancing the Vancouver Island/Coast Region's intra-regional air services will require an aggressive, co-ordinated, multi-player approach. The region suffers from the stigma of intra-regional air services that failed during its transportation past. Basically, without exception, these services were multi-stop "milk runs" using six- to 10-seat aircraft running up and down the Island. Given this unsuccessful history, is there reason to believe that intra-regional air services--identified as a priority by the region--could be successful?¹

Much has changed since those embryonic regional air services were attempted. The region is undergoing a new step in its economic evolution. Gone are the days of pure raw resource extraction. Instead, the Vancouver Island/Coast economy is becoming a sophisticated, if still relatively small-scale, collection of manufacturing, trade and service industries. What was once considered a "sleepy" economic region is now a collection of communities examining new, value-added industries, tourism markets and infrastructure projects. This, combined with a high quality of life, provides the region with a renewed ability to create demand for increased scheduled air services.

In addition, regional air carriers and the travelling public have increased in sophistication since deregulation. Smaller aircraft are more accepted and carriers provide better-quality small-scale service than before: computer reservation systems and other marketing techniques can now be used to promote new routes; tourism, investment, and industrial policy are being co-ordinated with transportation strategies; and communities are more aware of the growing importance of air linkages.

¹The need to examine intra-regional air services was presented in the Vancouver Island/Coast Transportation Task Force Report. That report recommended that the feasibility of intra-regional air services be examined and that an incentive program be developed.

Enhancing intra-regional air services will not be an easy task. To improve intra-regional air services, both government and the Island/Coast communities must recognize that *demand must be created*. The North American air transportation industry--rightly or wrongly--is very cautious by nature. Most carriers will enter a market only if the *existing* demand justifies service, and the Island/Coast's proven demand for air transport is thin. *Potential* demand is only a minor factor in air route planning. The industry's profit margins are so tight that air carriers believe that they cannot undertake risks with new services. This basic fact must be recognized by all communities desiring improved air linkages.

Existing demand for air services must be proven to air carriers. Unfortunately, public aviation statistics are woefully inadequate for analysing services to regions like the Island/Coast, so alternate documentation must be substituted. This decreases the appeal of the resulting analysis to air carriers. Carriers have seen dozens of demand studies and proposals asking for enhanced scheduled air services, and they have also seen many of these "hard numbers" fail to materialize. Nevertheless, one of the purposes of this document is to present the hard numbers for potential air carriers. This is done in an extremely conservative manner.

It is the second purpose of this document that is potentially the greater tool for the creation of intra-regional air services. This report's target audience is not solely the air carriers. The responsibility for the creation of demand, and removal of barriers to service, requires a partnership between the communities, governments and carriers. If a community wants air services, the community has a responsibility to fill seats on the carrier(s) serving the airport. If a government believes that air transportation is important for economic development, and regions asking for improved air services are to be supported, then both local and provincial government must be willing to consider lowering barriers to entry and sharing some of the service development risk. This approach requires educating communities and government as to what they can do to support air services,

and what is and is not important to the carriers. That is the second purpose of this document.

In **Chapter I**, the importance of air transportation to the Vancouver Island/Coast Region is presented. After all, if intra-regional air links are not important for the region's future development, there is little need to continue this project! This chapter also presents a strategic positioning for the Island/Coast. The region needs to know what its long-run air linkage targets are if it is to be focused on what should be done today. In addition, this chapter goes out on a limb to present a "future vision" for the region. Air transportation is such an important infrastructure that it can influence social and economic change. An understanding of this potential change is needed so that communities can decide if this vision is what they want for their future.

In **Chapter II**, an overview of what is required and some related concepts are presented. Understanding the nature of air services is important if strategies to enhance them are to be developed.

Chapter III presents today's air services--the basic starting point. This helps to introduce the players and provides the "base case" on which to build. The airlines, airports and communities are introduced.

Existing demand--of primary importance to any air carrier examining new route opportunities--is the focus of **Chapter IV**. The standard, inadequate statistical figures are presented, followed by a detailed examination of provincial government demand. A feel for municipal and industry demand is also provided. The costs and potential savings arising from enhanced intra-regional air services are also analysed. All analysis is clearly documented so that the reader can modify it if they disagree with assumptions. The numbers are deliberately conservative.

Creating demand through community-industry initiatives is the topic of **Chapter V**. Aggressive communities do have some control over their air

services future; therefore, this chapter is meant to provide some guidance. Since proven existing demand is quite sparse for many Island/Coast routes, communities must strive to create demand. Strategies to develop demand are presented.

Chapter VI defines a new role for the provincial government to play if it wants to enhance intra-regional air services. Several possible programs, from risk-sharing to acting as a catalyst, are presented. The Vancouver Island/Coast Region could be used as the test case for a regional air service enhancement program in existence in Canada.

Finally, **Chapter VII** concludes the document with some thoughts on where to go from here.

The Island/Coast region has always possessed a unique quality of life and economic potential that arguably rivals all other regions of the country. If the area is to continue its growth and thrive in the increasingly international marketplace, it *must* enhance its regional air services and reduce its dependence on Vancouver International Airport. Air services are one of the economic blood lines for any community hoping to support aggressive, high value-added, environmentally sound industries. Without this, even the best investment or development strategy could be severely handicapped. An aggressive, *demand creation* approach to air services by the Island/Coast's communities and the provincial government is required if the region is to realize its full potential as "Canada's far-west opportunity." Assisting this process is the basic purpose of this document.

CHAPTER 1: WHY BOTHER? THE IMPORTANCE OF AIR TRANSPORTATION

A mistake often made when developing air service enhancement strategies is to focus intensely on obtaining a particular service and, in the process, forget why you underwent the exercise. This can lead to obtaining the service but losing it very shortly thereafter. If the reason for pursuing air services is forgotten, it makes it very difficult to ensure that the route will be a going concern once it is in place. The motives for enhancing air services must be clear.

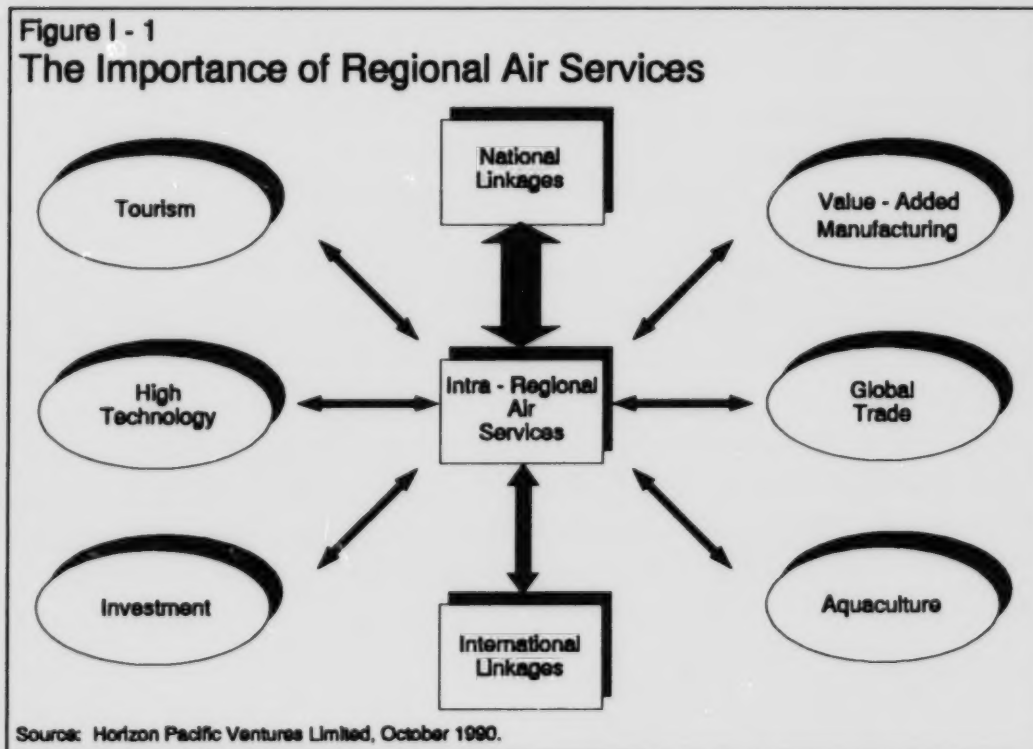
This first section presents very briefly the importance of air transportation to the Island/Coast region. Air transport is one of two key incremental infrastructures required for almost all of the region's future plans and initiatives.² Why this is particularly important for the Island/Coast is presented. Finally, a brief vision for the region's future and the role of air linkages is provided.

Air Transportation: Key Component for Economic Development

Perhaps more than any other infrastructure, scheduled air transportation systems are vital for the health of almost all future Vancouver Island/Coast industries. The region's highway and ferry system do only so much for industry. Today's business requires high-speed linkages. Speed kills the competition. For goods and people, this speed can be provided only by air transportation.

²The second key infrastructure required for communities to thrive in the 1990s is advanced telecommunication capabilities that cover a wide range of services. This concept is currently being undertaken for the Island/Coast by the Innovation and Technology Task Force.

The backbone of the Island/Coast's air system, a regular and reliable scheduled air service, is missing. Except for an embryonic service provided by Waglisla Air, all regional air services route through Vancouver, Canada's second-most-congested airport. The Island/Coast needs regional service to support its various industries, and to link them efficiently with Canada's national and international air system. This relationship is conceptualized in Figure I-1. Almost all the Island/Coast communities have tourism, value-added manufacturing, aquaculture, high-technology, investment and global trade ambitions. All of these industries require regional air services to reach their full potential.



Tourism has evolved from a "come see our wonderful area" industry into a sophisticated, highly competitive, analytical science with very clear winners and losers. Vancouver Island/Coast possesses the raw materials required to succeed in this market, and indeed, has historically had strong tourism

revenues. However, if this success is to continue, the region must be connected to the outbound tourist sources of the world in an efficient fashion. With the increase in dual-income families, as well as the difficulty co-ordinating vacation time, if Vancouver Island/Coast is to thrive in this industry, it must ensure that families can get into and out of their destinations quickly. Reliance on the "rubber traffic" tourism market is potentially a very dangerous strategy for the region.

High technology is often very poorly defined. It is not just universities, research parks and subatomic particles. "High tech" includes a better way to process second-growth cedar, or unique reductions in packaging and distribution costs, or utilizing a new manufacturing process. It means the use of new techniques adding value to products. In areas such as these, Vancouver Island/Coast has demonstrated prowess. However, the health of these technologies depends on telecommunications and transportation systems (both passenger and freight), especially if these types of companies are to spread throughout the region and not just accumulate near Victoria. Again, the need for intra-regional transportation linkages is clear.

Investment strategies require the investor--whether from Portland or Osaka--to see the investment. For example, because it is easier to fly from Europe to Calgary and on to Kelowna than it is to travel from Europe to Port Alberni, Port Alberni risks becoming one of the "also ran" opportunities. There are many investment options in the world--convenience of visitation is a *key* selection factor.

Value-added or flexible manufacturing, along with **global trade**, require strong air linkages. The old argument that "it is cheaper by truck" for many goods now translates into "provide slower service and save very little." Air cargo is no longer an industry designed to move high-value-per-pound products alone. For example, in 1987 the average U.S. motor vehicle part or accessory moved by air freight had a *value* of only US\$ 3.13 per pound. Even

the Island/Coast's **aquaculture** initiatives need to be supported by air services --with one word of caution. Whole, farmed salmon are not about to be flown to market in large volumes; however, processed, fresh aquaculture products of high value could provide increased revenue for some air services.

In short, the Island/Coast's economic strategy for the 1990s is heavily dependent on improved scheduled regional air services.

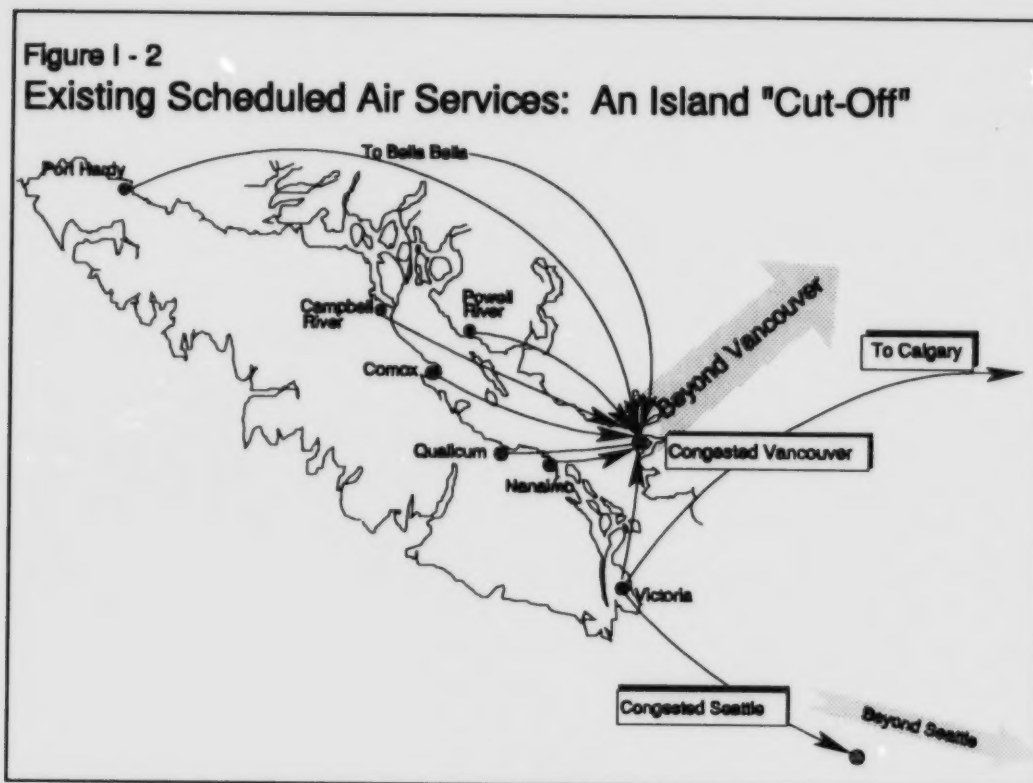
Positioning Vancouver Island/Coast

The Vancouver Island/Coast Region has a serious air transportation problem--it is impacted by congestion (and to a lesser degree customs clearance) problems at both Vancouver and Seattle International Airports. This is illustrated in Figure I-2.

To travel from one end of the region to another by air, you must pass through Vancouver. Unfortunately, Vancouver has the second-worst airport congestion problem in Canada. This situation may temporarily improve during a recession, but the only long-term solution is a parallel runway at Vancouver International Airport. However, environmental approval for the runway project is far from automatic and even if it were approved in the very near future, obtaining financing for this \$100 million project, plus the subsequent construction time, could take as long as four years. The situation will continue to deteriorate during that time, especially if the provincial economy resumes its rapid rate of growth.

The additional problem with routing through Vancouver is weather. This problem is bad enough at many of the Island/Coast communities--they do not need to be compounded by additional problems at Vancouver.³ During poor weather, the separation between aircraft heading west must be increased.

³Of all the Island/Coast communities, the site with the best weather operationally is the Comox base. The site was chosen for this reason. Weather is mainly a winter months concern on the Island/Coast.



Since most jet service to the Island/Coast has been replaced by smaller, turbo-II prop aircraft flights with greater frequency, this separation time problem has been compounded.⁴

⁴One of the impacts of airline deregulation throughout North America was a change in the nature of air services to smaller communities. Before deregulation, these communities would receive, say, Boeing 737 (about 118-seat jet) service twice a day. After deregulation, this service was usually replaced by more-frequent service by, for example, Dash-8 (37-seat turbo-prop) aircraft. Usually this new service was provided by a regional air carrier in partnership with one of the large majors.

Deregulation occurred in Canada around 1985, and around 1978 in the United States. It allows the air carriers to choose what communities they serve, how and for how much.

Connections to the U.S., our country's largest trading partner, are awkward. Victoria's traffic to Seattle has increased dramatically, since the addition of Horizon Air's service into the community.⁵ However, customs clearance at Sea-Tac is often described as a nightmare. Therefore, most flights now clear U.S. customs in Port Angeles before continuing on to Seattle. From Seattle, connections to U.S. markets are strong.

However, for points north of Victoria, because of the lack of intra-regional air services to Victoria, air travel to the United States has to occur through Vancouver, which has U.S. customs clearance on site (pre-clearance). From Vancouver, access to the U.S. market is limited as a result of the archaic nature of the air agreement between Canada and the United States. By treaty only the following U.S. points are served from Vancouver: Seattle, Portland, San Jose, San Francisco, Los Angeles, Spokane, Honolulu and Chicago. This situation cuts off the northern Island from U.S. markets--the markets that should be the key Island/Coast targets for future investment, industry and tourism growth.⁶

The Island/Coast needs to increase its connections with the outside world. By enhancing *intra*-regional air services, the Island/Coast could increase demand for improved *inter*-regional services. This should be the driving goal behind an intra-regional air services enhancement strategy, not just the immediate need to fly between points on the Island/Coast.

⁵It should be noted that Horizon Air of Seattle is a client of Horizon Pacific Ventures Limited. However, since foreign air carriers by law cannot provide service between Canadian points, this has little impact on this report. Please note that the similarity in company names is nothing but a confusing coincidence.

⁶Note that Canada's Transportation Minister, Doug Lewis, recently announced that negotiations will commence in early 1991 with the United States to arrange an "open skies" agreement between the two countries. This would be of enormous benefit to the Island/Coast because it would improve Vancouver's access to points in the U.S. market (and hence the northern Island/Coast's access). Public hearings commence this winter and the Island/Coast region should consider making a submission. These negotiations have collapsed several times during the 17 years that the existing air agreement has been in place.

Future Vision for the Region

To ensure that today's intra-regional strategies move the Island/Coast toward longer-term goals, it is *extremely* important that the region has an overall vision for its social and economic future, and a clear understanding of the air transportation system required to support this vision. If you know where you are going, it is a lot easier to get there! Lacking a future vision is a common shortcoming of regions across the country.

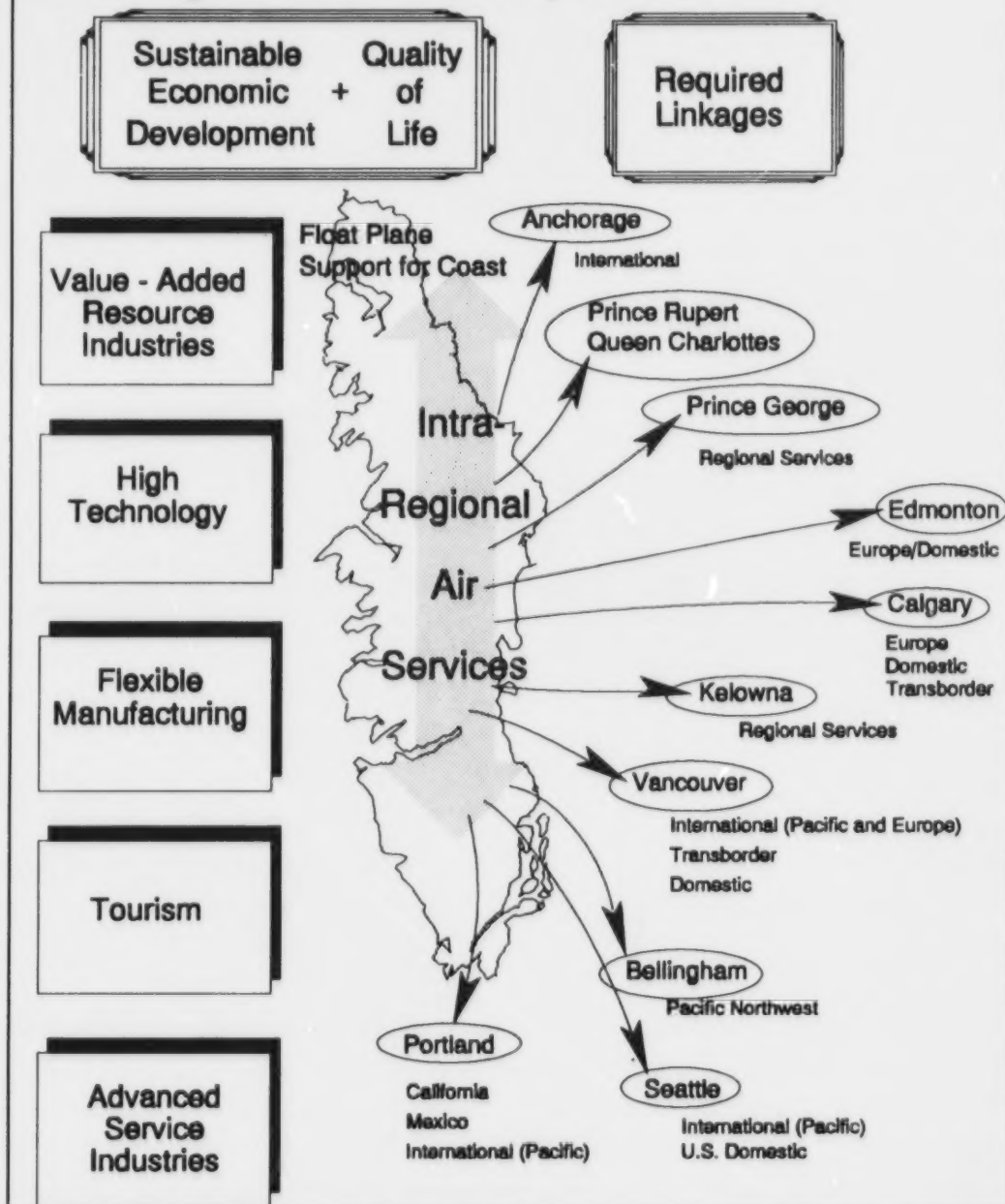
This is not a Vancouver Island/Coast "futures" study. There is neither the time nor the resources for this project to claim to be an all-encompassing strategic game-plan. However, at the risk of incorrectly reflecting the nature of the Island/Coast region, Figure I-3 presents the overall future vision framework within which the rest of this study develops today's intra-regional air services strategy. The figure also illustrates the air connections that are required.

The Island/Coast region has grown beyond its isolated, raw resource extraction days, yet retains its unique quality of life. The emotional conflicts that are now occurring over forestry practices reflect this evolution of thought. Some groups are viewing the natural beauty of the Island/Coast as a raw resource required for tourism. There is a recognition that sport-fishing is extremely lucrative and marketable. Responsible aquaculture projects are supported, as is value-added processing of what used to be exported as (aquatic- and land-based) raw materials. All of these emerging industries reflect the adoption of a "sustainable economic development" manner of thinking.

The Island/Coast may be moving even beyond today's sustainable development approach. Instead, it could be argued that the region is beginning to combine "sustainable development" with a "quality of life" alternative to the large metropolitan centres. Some communities are encouraging corporate retreats by high-level executives from throughout North America and high-technology niches are being established.

Figure I - 3

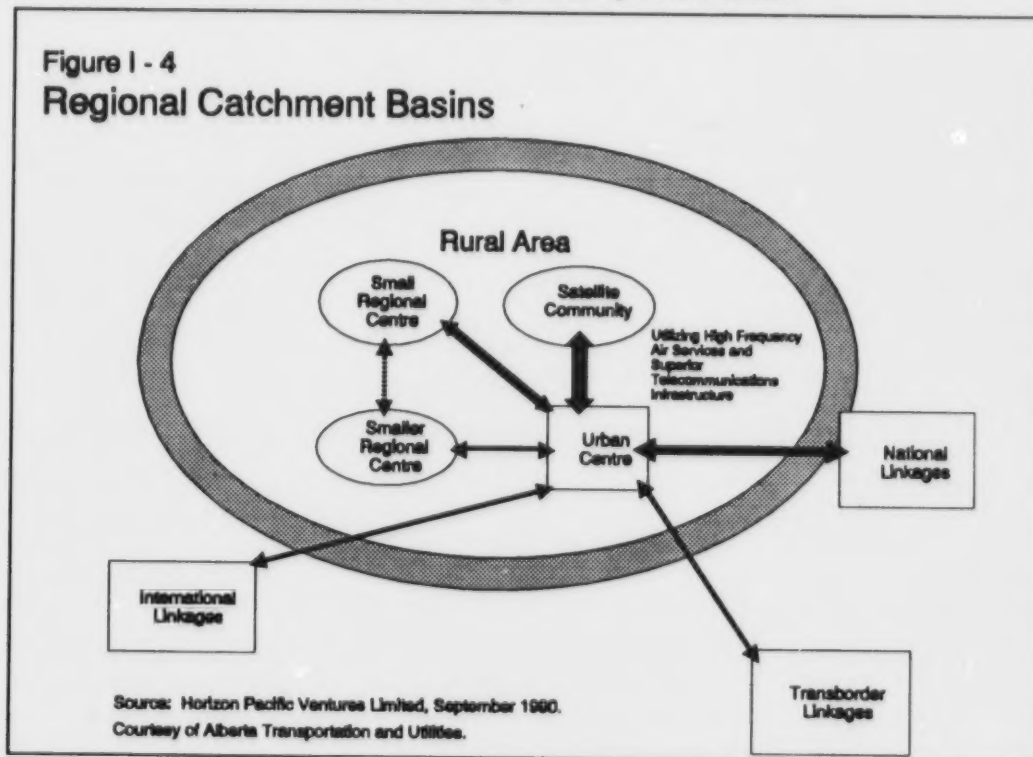
Vancouver Island/Coast: A Future Vision Building With Air Transport



Source: Horizon Pacific Ventures Ltd., October 1990.

Even beyond this, the next logical step in the Island/Coast's socio-economic evolution may be to develop as a collection of world-class satellite communities-high-quality business and lifestyle alternatives to Vancouver and Seattle. Appealing to creative individuals who are attracted to the Island/Coast's superior quality of life, economic satellites are connected to international centres, including Vancouver, Calgary, Edmonton, Seattle and Portland, through advanced telecommunications and high-frequency air services. These economic satellites would be a key component of British Columbia's and the Pacific Northwest's regional transportation catchment basin. Satellite communities must connect efficiently with the centres in this catchment basin and, through them, connect to the North American and international air system. This concept is illustrated in Figure I-4. In this way, the Island/Coast has all the benefits of quality of life and sustainable development, without the drawbacks often associated with large metropolitan areas.

Figure I - 4
Regional Catchment Basins



Backed up by a strong education and health care system, the Island/Coast becomes a magnet for the emerging technology service support industries — such as toll-free support for software problems. This type of industry provides high value-added service and does not consist of a multitude of low-paying jobs. These industries would respect the region and its unique character, and assimilate well with its social and cultural growth. The Island/Coast has the opportunity to be a world leader in this overlooked, emerging service industry.

For this vision to become reality, the Island/Coast must create high-frequency air services. These services need not be by large jet aircraft. In fact, the quality and characteristics offered by the smaller Jetstream 31 and Metroliner are more consistent with this vision. To create the required frequencies and linkages, the Island/Coast must begin by servicing itself, creating intra-regional demand for air travel. Communities, carriers and governments must pull together for this to happen. With increased local demand comes a new viewpoint by Island/Coast residents—"why drive when I can fly?" This enhanced awareness about air travel may eventually create new air linkages to other points in the transportation catchment basin--possibly Edmonton, Kelowna, Prince Rupert, Prince George, Anchorage, Portland, and strengthened links to the Queen Charlotte Islands and Calgary--bypassing the problems at Vancouver and Seattle. With this collection of options, travel costs (both time and money) will decline further enhancing air services, increasing demand, improving the region's competitive position, and pulling the Island/Coast into the U.S.-Canada Free Trade and international marketplace.

Very little of the above will happen in the short term. However, this macro framework does place the purpose and importance of today's air transportation projects in perspective. The rest of this report deals with the first step: creating intra-regional air services for the Vancouver Island/Coast Region.

CHAPTER 2: BUILDING AN INTRA-REGIONAL AIR SYSTEM: OVERVIEW

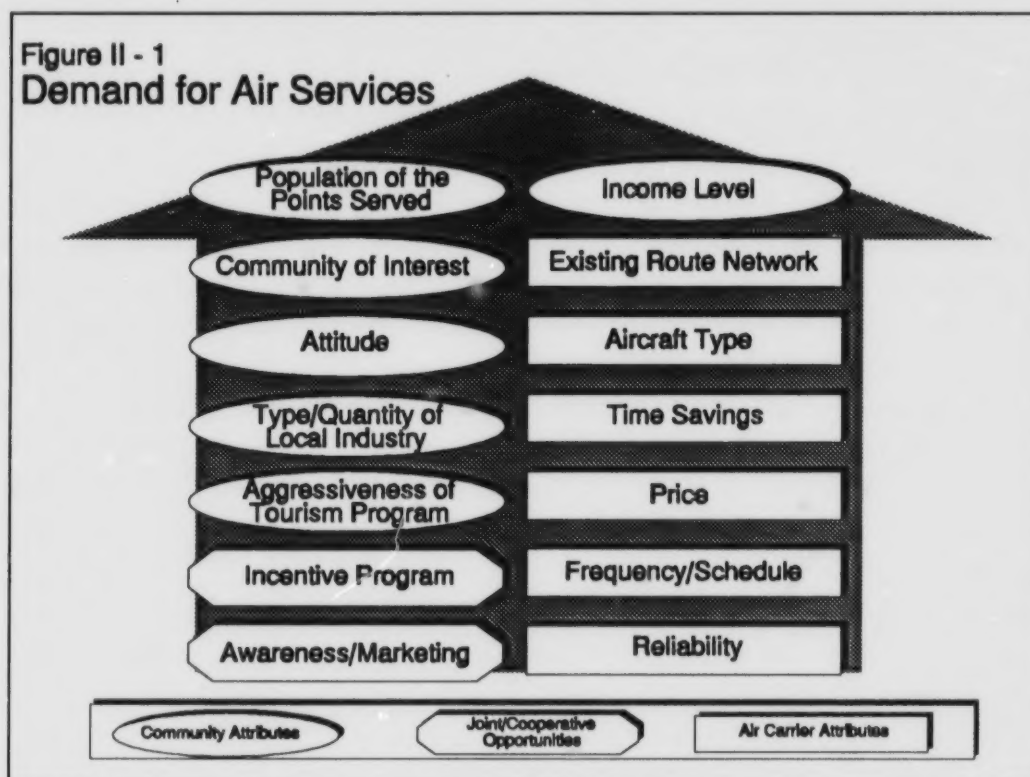
This chapter is educational in nature. It discusses what drives demand for air services; how air carriers make routing decisions; what service characteristics communities should be looking for; the basic differences between float, helicopter and wheeled services; and the multi-player co-operative approach that will be required to make this strategy successful.

The concepts presented in this section are not meant to be a complete discussion of these extremely involved and always changing issues. New technologies, attitudes and consumer preferences modify the rules of the game almost daily. In addition, what is important for one carrier or community can be completely irrelevant for the next. This chapter merely provides a flavour for how the industry works.

What Drives Demand

Understanding the basic forces driving demand for air services is important if communities are going to focus their energies on potential winners and not push for services that are impossible to obtain in the short run. Some of the basic factors driving demand are: populations of the two connecting points; communities of interest; income level; community attitudes regarding air travel; type and amount of local industry; tourism programs; time savings of air over highway or ferry systems; awareness and marketing; listings on computer reservation systems; and quality of service (frequency, flight times, type of aircraft, frequent flyer programs, existing route network and price). This is depicted in Figure II-1. Note that some of these forces are predominantly under the control of the carrier, some reflect the nature of the communities involved, and some can benefit from the co-operative efforts of carriers, communities and governments.

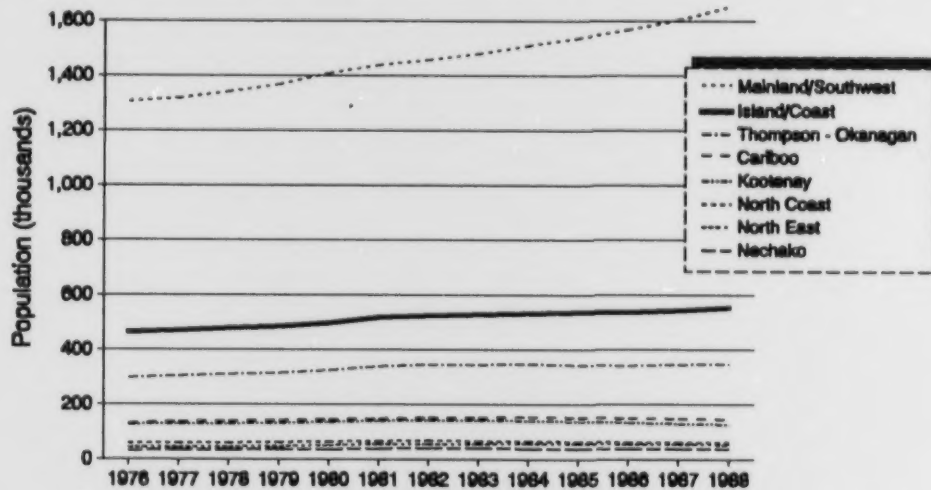
Figure II - 1
Demand for Air Services



The basic factor driving air transport demand between any two communities is the combined population of the communities. This is one of the reasons why Island/Coast communities have historically connected to Vancouver and not the smaller points on the Island. Since 1976, the Vancouver Island/Coast's population growth has been second only to the Vancouver region, and its base population was a non-trivial 555,100 in 1988. Since 1976, the region's population has grown at the very strong annual rate of 1.47 per cent. These population trends are presented in Figure II-2. Contrary to popular belief, less than one-half of the Island/Coast's population is located in the Greater Victoria area: Figure II-3 is included to provide the reader with a frame of reference for comparing the various regions.

While there are many other factors to consider, the "back of the envelope" demand calculation for air services between Victoria and the other Island/

Figure II - 2
A Growing Population Base



Source: British Columbia Regional Index, Province of British Columbia.

Coast communities should be roughly 15 per cent of the current demand for air services between Vancouver and the region's communities.⁷ This should be viewed as the *upper* limit on existing air traffic demand for two reasons: Vancouver is separated from Island/Coast communities by water, which

⁷This is the ratio of entire Lower Mainland region's population (because the area is effectively served by only one airport) to Victoria's population using 1986 census data ($1,567,004/247,180 = 6.3$). Using known minimum origin-destination data, the total annual demand for service between the Island/Coast communities and Victoria is 11,748 return trips per year. This extremely rough approximation indicates that total demand is *not* large, but is substantial enough to warrant further investigation.

increases the attractiveness of air travel; and many of these communities have a stronger community of interest with Vancouver than with Victoria.⁸

Based on this 15 per cent rule, it is obvious that jet service up and down the Island/Coast will not happen, and neither will 37-seat Dash-8-type service in the immediate future. Intra-regional air services must be built with small aircraft types, with eight to 12 seats, working up to the more-accepted 18- to 19-seat aircraft over time.

Income level also drives demand for air services--the higher the average level of income, the greater the demand. As Figure II-4 shows, the Island/Coast region has the third-highest per capita income, beating out regions such as the Cariboo and Kootenays. This income level reflects the new industries of the region. Vancouver Island/Coast has developed a sophisticated and diversified, if still relatively small, economic base. This shift to tourism, manufacturing and trade--combined with the provincial government being located in Victoria--provides the region with potentially higher demand for air services per capita than most other regions of the province. As shown by Table II-1, the Island/Coast region has a higher percentage of its workforce in accommodation/food/beverages (tourism services), than the Mainland/Southwest Region and almost as much emphasis on manufacturing. Unfortunately, from an air transportation demand viewpoint, much of this manufacturing is in the wood and paper products sector, which is not as heavy a user of air transport as, say, the high-tech industries.

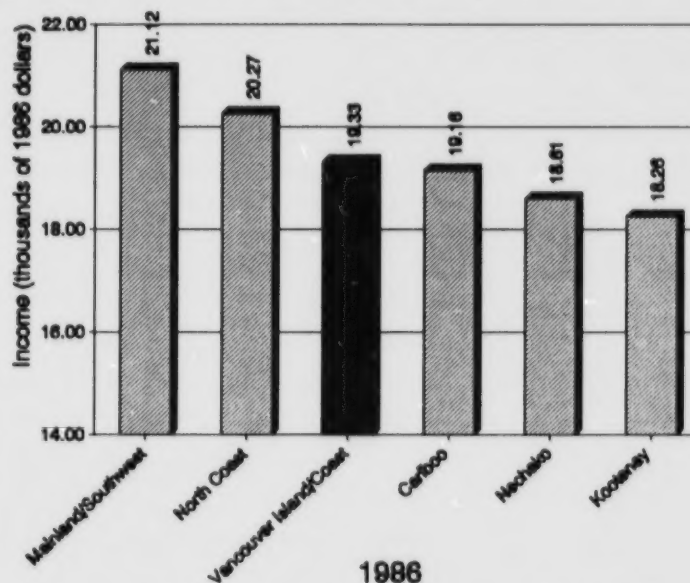
⁸The Island/Coast region appears to have to separate "communities": the Greater Victoria area and the rest of the region. Other than government ties to Victoria, most of the region is drawn to Vancouver or Seattle more than to Victoria. The Malahat is like a psychological barrier across the Island, splitting it into the part that uses the ferry from Swartz Bay and the rest which uses the Nanaimo ferry. Even the Victoria Airport, because it is located at the north end of the Saanich Peninsula, does not help pull the region together.

SCALE
Kilometres 0 40 80 120



- Region 1: Vancouver Island/Coast
Region 2: Mainland/Southwest
Region 3: Thompson-Okanagan
Region 4: Kootenay
Region 5: Cariboo
Region 6: North Coast
Region 7: Nechako
Region 8: Northeast

Figure II - 4
Average Income: The Ability to Pay



Source: British Columbia Regional Index, Province of British Columbia.

The region's tourism industry in 1987 accounted for 20 per cent of the province's total room rental outlays. Figure II-5 shows that the Island/Coast is the second-most-important tourism region in the province, and has the third-fastest growth rate.⁹ The more aggressive your tourism industry, and the longer your season, the greater the demand for air services. Tourism dominates the summer months, and with government travel, the slack can be picked up in the winter months.

At present, because of limited air services, the communities on the Island/Coast do not automatically view air transportation as an option. It is viewed as too expensive, inconvenient, or at worst, it is not thought of at all. An attitude change is required to get people out of their cars and into aircraft.

⁹Measured using room rental expenditures. Included in these figures would be a substantial amount of business travel accommodation.

Table II - 1

Regional Experienced Labour Force by Industry

Industries	Van Island/Coast		Mainland/Southwest		Thompson-Okanagan	
	Number	Percent	Number	Percent	Number	Percent
Agriculture	4390	1.7%	17030	2.1%	10150	6.5%
Fishing and Trapping	4300	1.7%	3150	0.4%	135	0.1%
Logging and Forestry	12810	5.1%	6970	0.9%	5650	3.6%
Mining, Quarrying and Oil Wells	2150	0.9%	3385	0.4%	3675	2.4%
Manufacturing	25175	10.0%	101050	12.4%	17900	11.5%
Construction	14735	5.9%	53045	6.5%	11085	7.1%
Transportation and Storage	10120	4.0%	50755	6.2%	7980	5.1%
Communications and Utilities	6070	2.4%	28735	3.5%	4445	2.9%
Wholesale Trade	6815	2.7%	44360	5.4%	5485	3.5%
Retail Trade	34135	13.6%	105770	12.9%	22580	14.5%
Finance and Insurance	5940	2.4%	35440	4.3%	4065	2.6%
Real Estate Operators and Insurance Agents	5095	2.0%	21390	2.6%	2885	1.8%
Business Service	9855	3.9%	51795	6.3%	4635	3.0%
Government Service	31810	12.6%	46430	5.7%	7855	5.0%
Educational Service	16675	6.6%	46935	5.7%	8430	5.4%
Health and Social Service	22720	9.0%	66680	8.2%	12695	8.1%
Accommodation, Food and Beverage Service	21150	8.4%	65570	8.0%	14820	9.5%
Other Service Industries	17810	7.1%	68685	8.4%	11480	7.4%
Total Experienced Labour Force	251755	100.0%	817175	100.0%	155950	100.0%

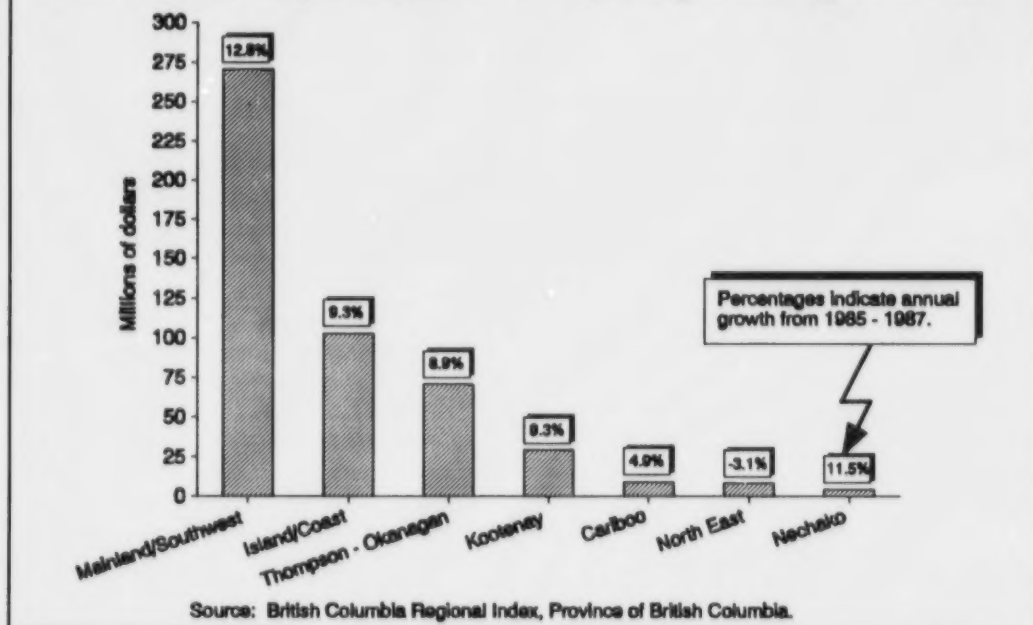
Source: British Columbia Regional Index; Province of British Columbia

Travellers must begin thinking of air travel as a solution to their frustrations with the Island Highway and/or ferry system for one-way trips taking longer than one hour by car. Residents of the Island/Coast must place a higher value on time.

Even with all of the above, it must be recognized that Canada-wide air service accounts for only six per cent of inter-city passenger transportation. This is illustrated in Figure II-6. However, this varies greatly depending on the sophistication of the transportation corridor. As Table II-2 shows, these ratios

Figure II - 5

Room Rental Expenditures: Comparing the Regions, 1987



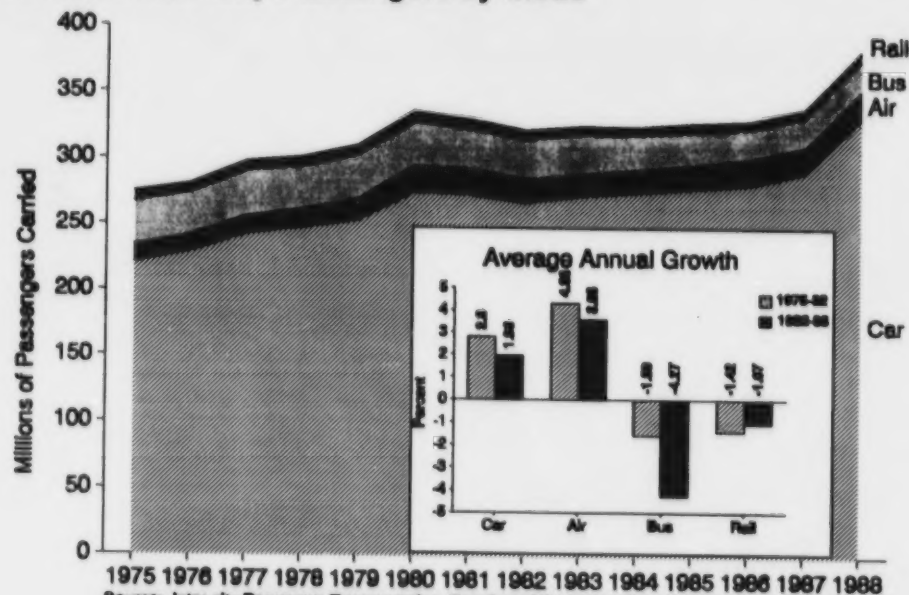
vary dramatically. On the 285-kilometre Edmonton-Calgary corridor, fully 27 per cent of the traffic goes by air. Note that this is roughly the distance from Campbell River to Victoria.

The Airline Route Decision-Making Process

While the forces in the previous subsection drive demand for air services, it is the air carriers which serve that demand. Therefore, a very basic understanding of the air carrier route decision-making process is required so communities and carriers can begin intelligent discussions. The region must position itself within the *airline's* criteria if they are to attract enhanced air services.

Figure II - 6

Canada's Inter-City Passengers by Mode



Sources: Inter-city Passenger Transportation, Trends and Forecasts, Transport Canada, March 20, 1990.
Note: Inter-city travel defined as trips of 50 kilometres or more.
Courtesy of Alberta Ministry of Transportation and Utilities, Policy Branch.

Although individual airlines vary in nature, they have many factors in common when examining new routes. The main elements airlines examine are: market potential; profitability; resource availability and utilization; fit into existing route structure; access to facilities; and competition. While all these points are important, market potential and profitability are key. Note that in most cases, carriers are only interested in *existing* demand for service --day-to-day survival is the highest priority in this extremely competitive industry.¹⁰

¹⁰Historically, the net income of North American air carriers is less than two per cent of gross revenues. Therefore, changes in fuel prices or minor aircraft maintenance surprises usually receive a much higher priority than sitting down with a community to discuss medium-term strategies to increase traffic.

Table II - 2
Mode Splits: Selected Inter-City Corridors

City Pair	Highway Distance (km)	Private Car (%)				
			Air (%)	Bus (%)	Rail (%)	Total Public Share
Toronto - Niagara Falls	146	97	0	2	1	3
Toronto - London	187	86	2	5	7	14
Montreal - Ottawa	195	82	1	13	4	18
Montreal - Quebec City	254	83	2	13	2	17
Toronto - Kingston	254	86	1	5	8	14
Calgary - Edmonton	285	56	27	16	1	44
Toronto - Sarnia	286	86	3	2	9	14
Toronto - Windsor	372	76	4	8	12	24
Toronto - Ottawa	420	64	23	9	4	36
Toronto - Montreal	535	41	39	5	15	59
Source:						
Changes to the VIA Network: Potential Environmental Impact, October 1989, Transport Canada.						
Calgary - Edmonton Inter-city Passenger Rail Study: Phase III, Executive Summary for the Canadian Transport Commission, April 1985.						
Household Goods Carriers' Bureau Mileage Guide No. 15, April 1990, Rand McNally & Company.						
(Data prepared by Alberta Economic Development and Trade)						
Courtesy of Alberta Transportation and Utilities, Policy Branch.						

Market size is often the first factor questioned by a carrier. The level required depends on whether the carrier believes in commencing services with bare-minimum frequency or high-frequency service to secure market position. The required market size also depends on the size of aircraft the carrier has available. For example, the larger regional carriers do not possess aircraft smaller than a Metroliner II or a Twin Otter. These carriers, as they mature, generally move to 18-, 30- or 37-seat aircraft as the smallest hardware in their fleet, leaving their small aircraft histories behind.

Also of importance to the air carrier is the market's make-up. Is traffic mostly deep-discount tourists who are extremely price-sensitive, or is it heavily weighted toward more lucrative business travel? For the Island/Coast, a large percentage of the potential summer traffic is often thought to be sport fishermen. The question becomes, are these fishermen of the "bar no expense" variety or not? For intra-regional traffic, the main sources of traffic will probably be business travel--traffic that places a high value on time.

For a variety of reasons, some carriers expend only minimal effort when searching for potential markets. Therefore, communities must approach the air carriers to argue their case. Some larger regional carriers will simply examine the routings on their tickets. If they notice that a large percentage of traffic is going from, say, Port Hardy to Victoria via Vancouver, they will consider putting a flight between Port Hardy and Victoria. Unfortunately, because routing through Vancouver is so inconvenient, Island/Coast traffic is severely suppressed so that this current usage approach by carriers does not help the region.

Profitability is key. The smaller regional carriers do not have the financial resources to commence a service and then wait six months to turn a profit. The day a service is launched, half the seats on the aircraft need to be filled.¹¹ Therefore, a community must support a new air service from its very first flight. Nothing could set a community back more than an air service commencing and then failing after a short period of time. Other carriers will take this as extremely strong evidence that a service cannot work, no matter what the reason for the failure.

Aircraft and resource availability also affect routing decisions. Resource availability includes whether a carrier currently has operations in a community. If they do, then operational considerations (ticket agents, fuelling,

¹¹A load average of 50 per cent capacity is a very rough break-even measure for smaller aircraft. This is called a 50 per cent load factor. A 75 per cent load factor on average is generally viewed as the maximum. Of course, this varies from carrier to carrier and route to route. This was supported in discussions with 25 carriers who service the region.

some community understanding, relationships with local transportation and accommodation operators) are already taken care of, so there is less start-up risk. For this reason, carriers that currently serve a community have an easier time initiating new services. However, sometimes balancing this is a carrier attitude that it already provides the desired services through its **existing route structure**.

For the established carriers, their decision to route traffic through Vancouver is very logical. Vancouver is British Columbia's hub airport. When a carrier flies from Powell River to Vancouver, they are selling several different products: a flight to Vancouver; a flight to anywhere else in their regional network (including Victoria); a connecting flight on their large partner to approximately 100 points; or a connecting flight to their competitor. In contrast, a direct flight to Victoria is almost "to the end of the line." For a more northern point, the only true connecting points from Victoria are to Seattle and beyond, and, recently, to Calgary. Over the past two years, Victoria's link to Seattle has strengthened.

Access to facilities is not a major problem on the Island/Coast. In general, the region's communities have substantial airport facilities, especially with the new terminal building in Nanaimo (Cassidy). The exception is Comox, where the terminal building and parking are inadequate, and scheduled air service access to the base is not clearly defined, although it does not appear to be a major problem.

Finally, **level of competition** expected is of concern. Smaller carriers do have a justifiable fear that they will commence a new service, take all the initial risk, build it up, and then one of the larger regionals will move in and cut them out of the market. However, since there are effectively no intra-regional air services on the Island/Coast, there is no existing competition.

Service Characteristics Desired By Communities

The previous subsection provided a very brief feel for the air carrier route decision-making process. However, if the communities are to aggressively pursue scheduled service, they must be aware of what types of service they could reasonably request. This subsection outlines quickly the potential aircraft types, service quality characteristics, and approach to marketing, and includes a reminder regarding what communities (and consultants) do *not* know best--how to run a regional carrier from day-to-day.

Aircraft Types

The region cannot expect large-aircraft service. This is completely unrealistic. Today's existing demand will not support it. Unfortunately, there is still a fear among many flyers about travelling in smaller aircraft.

No amount of logic will change this. Attitudes change slowly. Over the past few years, public acceptance of turbo-prop aircraft has improved dramatically due to the success and comfort offered by customer-orientated aircraft such as the Dash-8.¹² As a result, the larger (37- to 50-seat) turbo-prop aircraft have shaken much of the safety stigma. This is now filtering down to the 18- to 19-seat category of aircraft. However, confidence in the smaller aircraft that will be building intra-regional air services may remain relatively low. For this reason, scheduled service with a Cessna 185 four-seater is completely impractical.¹³ Communities should push for service by nine- to 15-seat aircraft. The physical appearance of these planes must be immaculate in order to instill passenger confidence. Clean interiors--although irrelevant to the mechanical safety of the craft--are vitally important from a marketing viewpoint. Table II-3 presents the type of aircraft that are used by the various carriers serving the region.

¹²For example, a Dash-8 has more room for carry-on luggage under the seat than a Boeing 747!

¹³Note that there are some operators who would disagree very strongly with this statement.

Table II - 3		
Small Aircraft Seating Characteristics		
Aircraft	Seating Capacity	Manufacturer
BAE 146-100	83	British Aerospace
Fokker F-28	60 - 65	Fokker
Dash-7	52	de Havilland
Dash-8-300	50	de Havilland
Hawker Siddeley 748	42	Hawker Siddeley
Dash-8-100	37	de Havilland
Jetstream 31	19	British Aerospace
Metroliner III	18	Fairchild
Metroliner II	12 - 18	Fairchild
Twin Otter 300	16 - 19	de Havilland
Twin Otter 100 & 200	14 - 16	de Havilland
Beech 99	15	Beechcraft
King Air 200	12	Beechcraft
King Air 100	10	Beechcraft
Chieftan	9	Piper
Navajo	7	Piper
Cessna 402	7	Cessna
Beaver	4 - 6	de Havilland

Source: Various industry guides. Special thanks to Tim Carpay, JETWEST.

Service Quality

There are certain service quality characteristics that communities should seek in air services. These include: flight frequency; schedule and connections; superior maintenance; schedules presence at the airport; price; reliability; and routing. These are summarized in Table II-4.

While most communities must settle for a frequency of two round trips a day on new routes, a community should seek four round trips a day even if it

Table II - 4

**Building an Island/Coast Intra-Regional Air System:
Knowing What Service Characteristics You Want**

Aircraft	Nine to 15 seats, good physical appearance, superior maintenance.
Frequency	Four round trips per day (even if this means using smaller aircraft) building up to seven (long-term).
Schedule	Arrival at destination for morning, noon, end of business day, and evening. Allows for half day as well as full day of business.
Connections	Must connect well with other flights serving the destination.
Presence	Someone at airport to answer questions, assist passengers (not necessarily full time), signage, professional schedules.
Price	Not as cheap as possible, but rather a fair price that supports extensive promotion of the service.
Reliability	Cannot just "fly if there's the demand today."
Routing	Same-plane service with no more than two stops.
Marketing	Willing to work closely with community.

Source: Horizon Pacific Ventures Limited, October 1990.

means that a much smaller aircraft is serving the route. If a carrier comes in with four round trips per day, the service becomes more convenient than taking the Island highway/ferry system and the carrier begins to impact new demand for the service by changing traveller's attitudes. Then, over time and if justified, frequency should be built up to about seven flights per day, at which point larger aircraft, rather than increased frequency, makes sense. Note that this is definitely not going to occur overnight. A lot of hard work will be involved.

Schedule is equally important. Flights must cater to government and business demands. A passenger must be able to get on a flight that arrives at the *destination* in time for the first meeting in the morning. Being able to

return after only half a day, right at the end of a full business day, and later in the evening, is equally important.

The schedule must also revolve around connecting with key flights, even if those flights are supplied by the competition. For Victoria, it is imperative that the aircraft arrive to connect conveniently with the non-stop flight to Calgary and the flights to Seattle. For other Island/Coast points, there are services to the Queen Charlottes and embryonic services to points on the coast. These must connect. In this way, service is provided to several different types of customers, not just point-to-point travellers, and Island/Coast communities can become *very* embryonic "micro-hubs."

In addition, communities should want carriers to have a **presence** at their airport. This does not mean elaborate counter space or full-time agents. However, someone clearly identified as being with the air carrier should be present to answer any questions and instill customer confidence in the service.¹⁴ A part-time station agent is required.

The cheapest **price** possible is *not* necessarily what a community would like to have. A deep-discount strategy by a carrier often leads to route failure. Instead, a fair price with a substantial portion of revenues committed to route promotion and service quality is preferable.

Reliability is also important. Many third-level scheduled services drop into communities if there is someone to pick up, but do not fly the route if there is not enough demand that day. Communities need the next step up from this service level--guaranteed service and a fixed **routing**. For thinner routes, the "if demand, fly" approach is fine. However, it does not provide the larger communities with the service base they require to aggressively market the carrier.

¹⁴Note that many small carriers do not agree with this approach since it increases management difficulties and labour costs.

In addition, customers will generally accept same-plane service with a maximum of two stops along the way. A "milk run" approach, stopping at every possible point up and down the region, will not get traffic off the highway and into the air.

Marketing

Marketing of the service is extremely important. Communities *must* assist the air carrier to ensure that awareness of services is widespread. Many times a community believes that the demand is there, but when air services commence, the community continues to assume that the service will always be there. Communities must put something at stake, as the carriers do, to ensure that everyone is working to support the service.

Communities need to: ensure that carriers are prominently displayed on computer reservation systems (CRSs); contact travel agents and businesses in the area; work with tourism groups, chambers of commerce, and economic development offices; and encourage feedback from customers. All of this requires strong communication lines between the carriers and the community, including the creation of an air services enhancement committee. Well-designed comment cards should be included in every flight, to be jointly reviewed by the community and carrier. This committee is not there to criticise a carrier. Its purpose is to support carriers' activities, provide feedback and new ideas, and assist with marketing programs. Carriers and communities have to be completely focused on the customer and *their* perceptions, whether those perceptions are "logical" or not.

Remember: Carriers Know Best

Having said all of the above, communities *must* remember that air carriers know how to operate an airline better than a community ever will. Telling a carrier what is best is illogical. Communities are not aware of the multitude of regulatory, operational, labour and financial issues facing carriers.

Therefore, communities should only suggest changes and present new ideas. In addition, communities need to earn the right to do this by providing constructive and active marketing, promotional and facility support whenever possible.

Float, Vertical or Wheeled?

There are three very different types of air transportation products serving the Island/Coast region: float-plane operators, helicopter services, and wheeled aircraft. Although there is some synergy and overlap, it must be recognized that these are three very different types of operation, almost like distinct subsets of the same industry.

Float operation is a harbour-to-harbour industry that generally serves points very separate from those served by wheeled aircraft. Float carriers, in general, have higher operating costs and lower cruising speeds than wheeled aircraft. Except for Victoria International Airport and Vancouver's South Terminal, float and wheeled operations are separated by a substantial distance. Because of this, float operations do not link well with the wheeled services at almost all sites in British Columbia. Indeed, there is a need for combined wheeled/float facilities that focus on smoothly interfacing the two types of aircraft. Until this occurs, communities must realize that while float-plane operators could supply an intra-regional air system, this system could not effectively connect with the *inter*-regional air transportation system that is so clearly dominated by wheeled aircraft. For this reason, intra-regional scheduled float-plane services are viewed by this report as an inappropriate solution to the region's air transportation problem.¹⁵

Helicopters are also a separate transportation infrastructure. Historically, this transportation mode has suffered from high operating costs and noise

¹⁵This is not meant to put down float-plane operations. On the contrary, float-planes are a vital and often underestimated component of the region's transportation system. It is hoped that communities will build their wheeled air traffic volumes and, in parallel, find methods of linking that traffic to the multitude of float-plane operators in the region.

levels. This has changed to some degree in recent years. However, communities must recognize that scheduled helicopter services, while always a topic of conversation, are in fact extremely rare. British Columbia is quite an anomaly, having scheduled helicopter services from Vancouver to both Whistler (Canadian Helicopters) and Victoria (Helijet).

Helicopters obtain their advantage by serving extremely convenient points in downtown cores of communities whose landing strips are quite distant. This is one of the reasons for the success of Helijet's Vancouver-Victoria service--travel times from both downtown cores to the airports can be very inconvenient. In addition, these helicopters are equipped with instrument systems that allow them to travel through weather that existing float-plane operators cannot. So for helicopter service to work for an Island/Coast community, the community must allow access to the central downtown core.

Again, as with float-planes, this means that the helicopter system is cut off from the wheeled aircraft system. Therefore, enhancing helicopter services to the Island/Coast does not help the region reach its long-term goal of better connections with the world's transportation system.¹⁶

Quite often, new technologies, such as aircraft that take off vertically (VTOL), are mentioned. These aircraft are extremely experimental and their commercial viability will occur at some unknown point in the future. There is a substantial route development that can be undertaken with existing technologies before these futuristic options become viable.

¹⁶However, this does not mean that helicopter service should not be supported by the communities. If the region's communities desire helicopter services, they must approach the existing helicopter operators (Helijet and Canadian Helicopters) and ask what they require for facilities. Then the community has to accept that they want these facilities in their downtown area. The two routes that have the greatest probability for success would be Vancouver-Nanaimo (although existing harbour-to-harbour service, while not heavily promoted, is extremely competitively priced by Baxter Air and Tyee Air), and Nanaimo-Victoria (since this is too short a distance for wheeled aircraft to compete due to Victoria's and Nanaimo's airports being some distance from the downtown cores). In fact, if there is to be Victoria-Nanaimo air service, it will probably have to be with downtown to downtown helicopter or float operations.

So, for the rest of this document, the focus is on wheeled air transportation and "all-weather" (instrument landing systems, ILS) airports. By building up a strong, wheel-based air system, the opportunities for float, helicopter, extremely small aircraft operators, and smaller communities will be enhanced as well.

The Multi-Faceted, Multi-Player Co-operative Approach

The most important point from the discussion above is that most carriers serve existing, proven demand. The forces that drive air traffic are not yet sufficiently strong in the Vancouver Island/Coast Region to produce existing demand great enough to automatically attract intra-regional air services. Therefore, the communities, governments, and carriers if they believe that an intra-regional air system is vital to the well-being of this region, must work together to *create* demand. This will entail sharing risks, integrating marketing activities, collecting information and ideas, and communicating and working closely together to build an intra-regional air system. In short, a comprehensive, multi-player, co-operative approach is required.

CHAPTER 3: TODAY'S VANCOUVER ISLAND/COAST AIR SYSTEM

This is the starting point. You have to know what you currently have to work with: the existing service structure; the airline players; the airports; and the communities. In the following section, the existing demand for air services is presented.

Existing Air Services

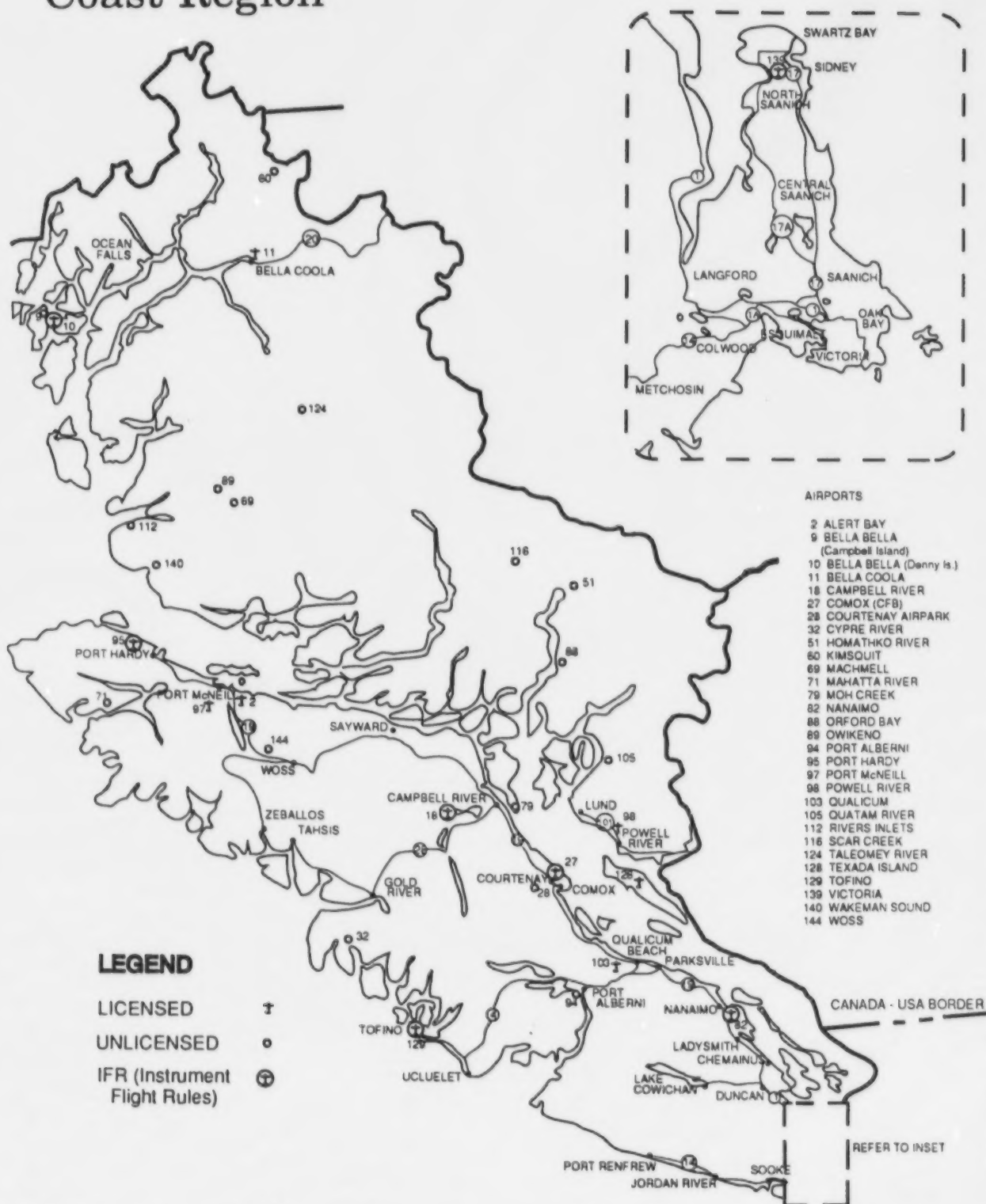
The Vancouver Island/Coast Region, presented in Figure III-1, is an important region, and yet its communities are connected by air through Vancouver.¹⁷ This dependence on Vancouver for air services is dramatically illustrated by Figure III-2. This figure presents the seating capacity provided by all the scheduled air carriers on routings currently listed as serving two Island/Coast points. The Eaasy Sabre computer reservation system was used to determine the widely recognized possible routings.¹⁸

Vancouver's position as the hub airport through which the air carriers route practically all traffic is clear. The completely disproportionate number of flights between Victoria and Vancouver drives the existing route structure and it will be difficult to change this system anchor. However, it is interesting to note that Campbell River, although it is not viewed this way by the air

¹⁷The exception for scheduled air service is Waglisla Air's once daily flight from Victoria, at 12:30 p.m., to Campbell River and on to Port Hardy. This service commenced in 1990. Other direct inter-community air travel in the region is done by charter services.

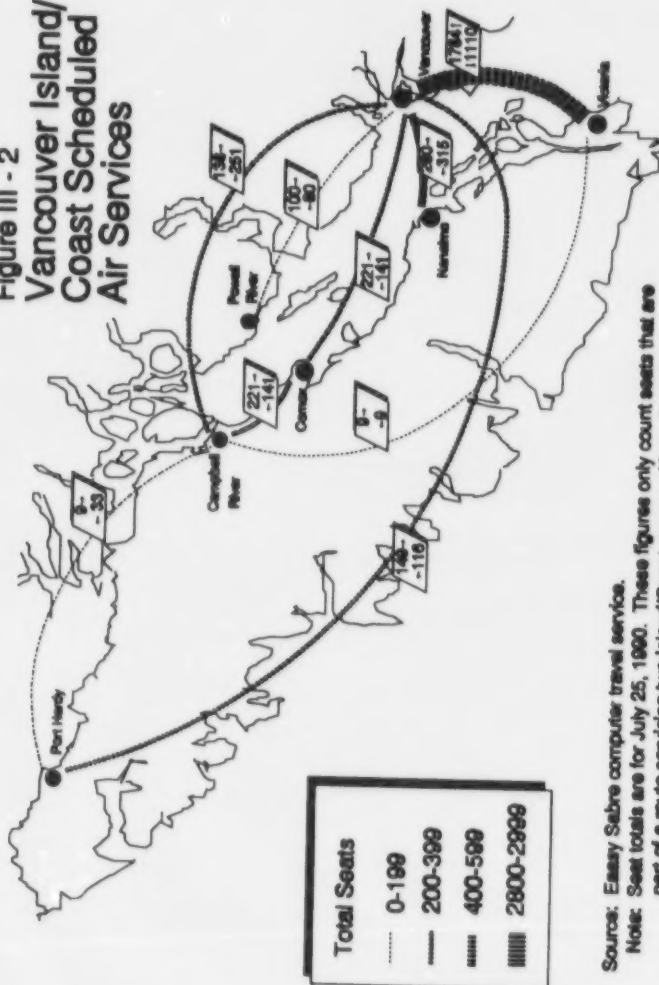
¹⁸Eaasy Sabre is American Airlines' computer reservation system. It is the most heavily used system in North America. All airline schedules that are listed in the Official Airline Guide are included on it. In other words, figure III-2 presents the "widely known" possible ways of using air carriers to travel between points in the region. Note that each flight was counted only once.

Figure III-1 The Vancouver Island/ Coast Region



Source: A Transportation Planning Overview for the Province of British Columbia, Volume 4, Vancouver Island/Coast Region
October 1988, Province of British Columbia Ministry of Transportation and Highways

Figure III - 2
Vancouver Island/
Coast Scheduled
Air Services



Source: Easy Sabre computer travel service.
Note: Seat totals are for July 25, 1990. These figures only count seats that are part of a route servicing two Island/Coast communities. Therefore, not all Vancouver to Island/Coast services are included.

carriers, is developing as a very "embryonic" intra-regional hub for the Island/Coast.

Figure III-2 can be used to provide a very *rough* measure of which Island/Coast communities have the most intra-regional air services: Victoria (2,912 seats); Campbell River (811); Comox (724); Nanaimo (595); Port Hardy (307); Powell River (180).

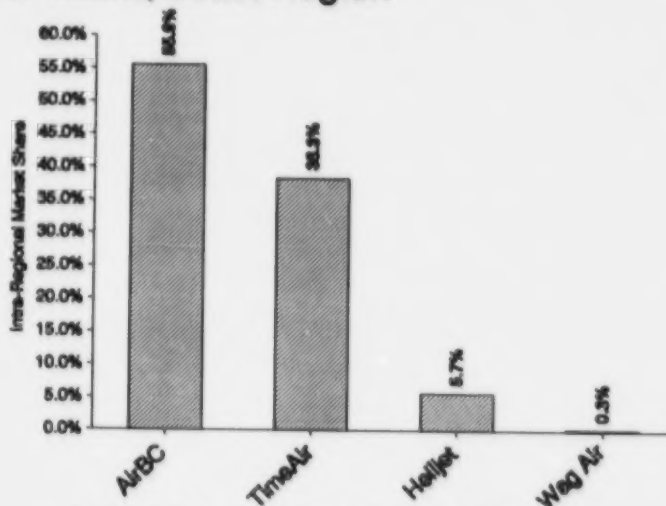
Figure III-3 shows that scheduled air service is completely dominated by two carriers--AirBC (55.6 per cent) and TimeAir (38.3 per cent). Helijet (5.7 per cent) and Waglisla Air (0.3 per cent) are also recognized as part of the scheduled intra-regional air system. The vast majority of air carriers serving the region do not provide regular, widely promoted, scheduled service between points in the region, although there are several smaller carriers providing scheduled service between Vancouver and the region. To provide some idea of the level of small carrier activity, Appendix C lists some of the third-level, scheduled services provided by these small carriers.

Existing fares between points are presented in Table III-1. These are the one-way, short-notice, full-fare economy ticket prices.¹⁹ Taxes are not included. Note that to travel from Port Hardy to Victoria is in the same price range as flying from Vancouver to Calgary. The fares in the table should be viewed as the current absolute maximum prices that can be supported during the peak summer season for non-stop service. The embryonic regional services that do serve the Island/Coast are 40 per cent less than these fares. However, as a result of the increase in aviation fuel costs following the tensions in the Middle East, fares are expected to increase at least 10 per cent.

Table III-2 clearly demonstrates the "time price" that is paid for having almost all air services routed through Vancouver. The distance from one end

¹⁹There is no business class serving the Island/Coast. Smaller aircraft (less than 100 seats) rarely provide business class, nor is it needed for the short trip lengths of intra-regional air services.

Figure III - 3
Air Carriers' Existing Market Share
Vancouver Island/Coast Region



Source: Eassy Sabre computer travel service for July 25, 1990.

Note: Seats performed is based on all feasible intra-regional routes listed on the computer reservation system. Therefore, although Helijet does not provide intra-regional services, it is considered part of routings that do.

of Vancouver Island to the other is 362 kilometres.²⁰ Some regional non-jet aircraft, such as a Metroliner or Jetstream 31, could cover that distance in about an hour. However, at present the *shortest* travel time is over two hours by air. Using these shortest travel time figures, the community best connected by air services to the region is Campbell River, followed by Comox, Victoria, Nanaimo, Port Hardy and Powell River.²¹

It must be understood that the main transportation mode competing with air is the private automobile/truck. This mode is at the mercy of the

²⁰This is the distance from Port Hardy's airport to Victoria International.

²¹This is just one way of measuring "best connected by air services." This measure sums the shortest travel time between a community and all the other communities in the region. The resulting comparative index is: Campbell River (1.00), Comox (1.35), Victoria (1.37), Nanaimo (1.42), Port Hardy (1.67), and Powell River (1.71).

Table III - 1						
One-Way Air Fares Full Fare Vancouver Island/Coast						
	Vic.	Nan.	Camp. River	Port Hardy	Comox	Powell River
Victoria	-	N/A	151	195	153	156
Nanaimo	N/A	-	128	206	128	127
Campbell River	151	128	-	103	26	159
Port Hardy	195	206	103	-	117	117
Comox	153	128	33	117	-	159
Powell River	156	127	159	119	159	-
Source:	Eaasy Sabre computer travel service.					
Note:	Represents fares for the large regional carriers on July 25, 1990. Fares for small regional carriers can be as much as 40 per cent lower.					

Vancouver Island Highway system. Table III-3 presents estimated highway/ferry travel times for the region.

As shown in Figure III-4, the proposed Island Highway from Menzies Bay to Swartz Bay will not be completed until the winter of 1996. Therefore, the competitiveness of the road mode versus air travel will continue to decline over the next six years. This is especially true during the summer months when the highway is at its slowest. Planned improvements from Swartz Bay to Victoria could provide for a fast, direct link to the downtown core, thus

Table III - 2						
Shortest Travel Time By Air						
	Vic.	Nan.	Camp. River	Port Hardy	Comox	Powell River
Victoria	-	1:30	1:40	2:10	1:40	1:50
Nanaimo	1:25	-	2:00	2:10	1:45	1:45
Campbell River	1:40	1:45	-	0:35	0:15	2:05
Port Hardy	2:10	2:20	0:35	-	2:40	2:55
Comox	2:05	1:40	0:15	2:45	-	2:10
Powell River	1:45	2:05	2:10	3:20	2:20	-
Source: Eaasy Sabre computer travel service. Note: Travel times by large regional air carriers as listed on July 25, 1990. Smaller air carrier listed scheduled service supplied only by Waglisla Air as follows: Victoria - Campbell River 0:45 Campbell River - Victoria 0:45 Port Hardy - Nanaimo 1:15						

enhancing the attractiveness of Victoria's airport the region's intra-regional air system will also become more viable.

Reducing the travel time by air versus surface modes is the length of time it takes to get from the airport to the downtown core. Although this varies greatly by time of day, Table III-4 presents some approximate travel times from airports to downtown centres.

Table III - 3					
Highway Travel Time (Hours)					
	Powell River	Comox	Port Hardy	Campbell River	Nanaimo
Victoria	8.2	4.7	10.6	5.6	2.3
Nanaimo	5.9	2.4	8.2	3.2	
Campbell River	4.6	1.1	5.0		
Port Hardy	9.5	6.0			
Comox	3.5				

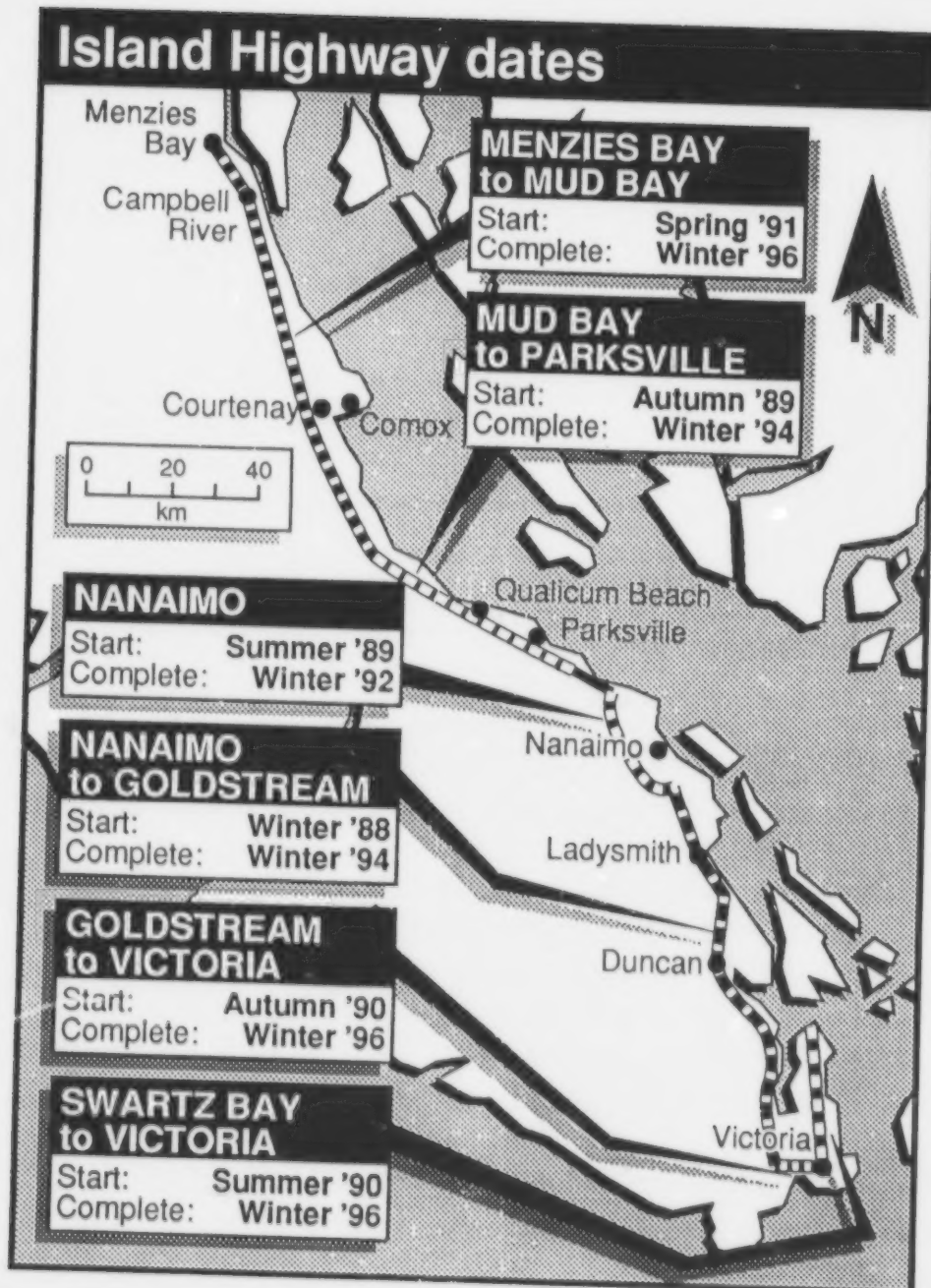
Finally, although existing air services are seasonal in nature, Island/Coast business is not as seasonal as that of many other regions.²² A measure of this seasonality is presented in Figure III-5 using room rental expenditures.

The Airline Players

As mentioned previously, the region's scheduled air services are dominated by AirBC and TimeAir. However, as shown in Appendix D, there are a substantial number of smaller air operators that could serve the region. Many of these airlines have advanced from small, light, twin-engine aircraft (such as the Piper Chieftain or Cessna 402) to turbo-prop Metro and King Air aircraft. These aircraft are faster and pressurized, allowing them to operate longer routes at higher altitudes.

²²The ratio of highest to lowest room rental month for 1987 is: Mainland (2.62); Vancouver Island/Coast (4.54); Thompson-Okanagan (5.21). Quite often, airport activity itself is used to gauge seasonality; however, since this report deals with potential demand, measures that reflect the region's economic activity, not airport activity, are better indicators of seasonality.

Figure III - 4



Map by Nick Murphy
Reproduced courtesy The Province

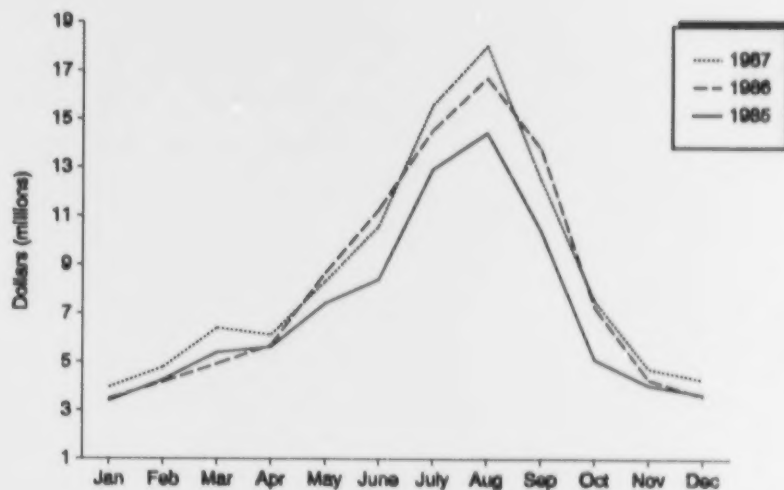
Table III - 4	
Travel Times: Airport to Downtown	
Location	Minutes
Victoria	0:35
Nanaimo	0:20
Campbell River	0:15
Port Hardy	0:12
Comox	0:10
Powell River	0:30
Note: Times are very approximate and vary greatly with time of day.	

The Airports

The Island/Coast region has extensive and impressive airport facilities. This is a result of both federal and provincial funding programs.²³ Facilities exist at: Alert Bay, Bella Bella (with facilities at both Campbell Island and Denny Island), Bella Coola, Campbell River, Comox, Courtenay, Duncan, Gilles Bay (Texada), Nanaimo, Port Alberni, Port Hardy, Port McNeill, Powell River,

²³B.C.'s Ministry of Transportation and Highways supports airport facilities mainly with the Air Transport Assistance Program (ATAP). The program allocates funds for structural rehabilitation projects in addition to new capital works. Local governments apply to the ministry for funding.

Figure III - 5
Estimating Economic Seasonality: Room Rental Expenditures Vancouver Island/Coast Region

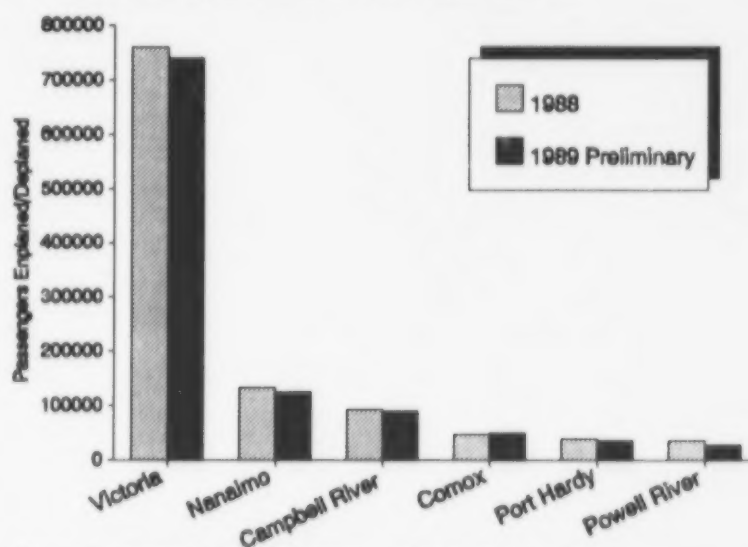


Source: British Columbia Regional Index, Province of British Columbia.

Qualicum Beach, Tofino, and Victoria. Appendix E presents information about all these facilities. However, this report examines six airports in detail (Victoria, Nanaimo, Comox, Powell River, Campbell River, Port Hardy). These airports support areas with relatively large economies and population bases, and have modern facilities including an instrument landing system (ILS) to minimize the impact of weather. Port Alberni is also examined as an example of the next tier of airport facilities. Figure III-6 presents the total number of enplaned and deplaned passengers for the various Island/Coast communities.

The **Victoria International Airport** has substantial airport facilities including a restaurant, lounge, gift shop, adequate airline counter space, Canada Customs office, limousine, shuttle and taxi services. Located 35 minutes from Victoria near the town of Sidney, it is operated by Transport Canada. It is a fully certified airport with a 7,000-foot runway. It serves many connector flights to Vancouver and Seattle.

Figure III - 6
Enplaned and Deplaned Passengers
Vancouver Island/Coast Communities



Sources: Ralph Haida, Aviation Statistics Centre, Statistics Canada, Ottawa.
Note: This data does not include small charter operations.

Nanaimo has a new terminal building to replace the shacks that were once its trademark. Leased from Transport Canada and operated by the City of Nanaimo, this new facility should provide the airport with quite a boost. Nanaimo's airport facilities consist of a certified, day/night airport with a 5,000-foot runway. The airport is approximately a 20-minute drive from Nanaimo. The fact that both TimeAir and AirBC will be located in the same vicinity provides increased flexibility for travellers through Nanaimo.

The Department of National Defence operates the **Comox** airport which is a 10-minute drive from the town of Comox. Civilian aircraft can use the facility after obtaining prior permission. This does not appear to be a problem for scheduled flights. The base is closed to civilian aviation if a "scramble" is called, however, this is a far rarer occurrence than cancellation due to poor weather. The airport is a certified day/night facility with a runway length of

10,000 feet. The terminal building and parking are completely inadequate. New facilities have been proposed, but progress is slow. A lack of co-ordination between the communities of Comox, Courtenay, and Cumberland hurts the promotion of air services and facilities.

Powell River is operated by the District of Powell River. The airport facilities are certified, with a 3,600-foot runway. There are intentions to lease additional commercial area.

Campbell River is leased and operated by the District of Campbell River from Transport Canada. Service to downtown (approximately 15 minutes) is amply supplied by taxi, rental cars and limousine service. The terminal features a newly opened restaurant-bar, and is a well-maintained and substantial facility. The airport is a certified day/night facility with a 5,000-foot runway. The close working relationship between various organizations in the community enhances the attractiveness of Campbell River as an air transport centre.

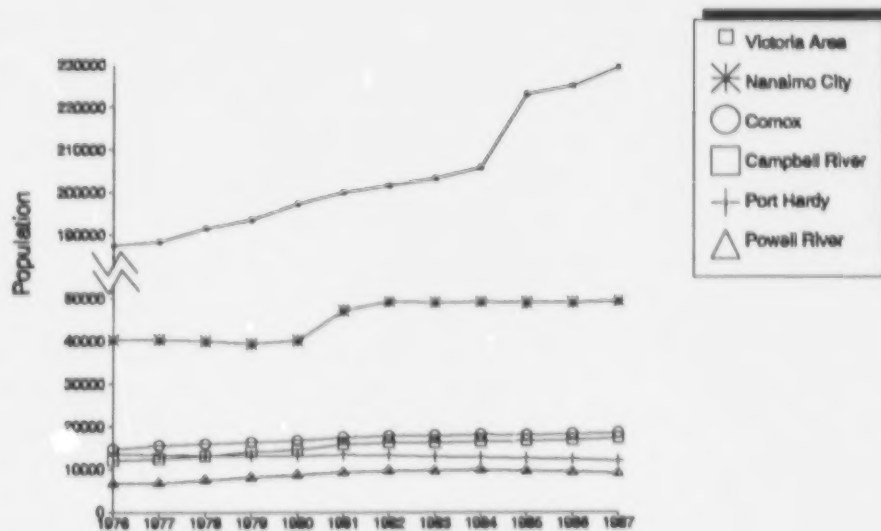
Port Hardy suffers from poor surface transportation linkages to the community. While rental cars are available, few other options exist. The fully certified existing facility is substantial, with a 5,000-foot runway, adequate counter space and full restaurant. Weather during certain times of the year is a problem, and the option of landing in Campbell River and then travelling by bus is not appealing. The community also suffers from airport facilities split between Port Hardy and Port McNeill, and rivalry between those two communities.

Port Alberni, an example of a smaller community, has obtained grants totalling \$1,000,000 under the ATAP Program to develop the Port Alberni Regional Airport Facility. An additional request for funding for day/night capabilities has also been made to this program. Through local referendum, the community has contributed \$1.5 million. This, combined with an aggressive approach, could move the region up on the aviation map.

The Communities

The main air transportation communities in the Island/Coast region vary greatly in industrial base, economic activity, growth and level of aggression. This is illustrated on a very "macro" level by Figure III-7, which shows the population growth for the various Island/Coast communities. Appendix F presents some additional information about the economic activity of the communities and their future plans.

Figure III - 7
Population Growth of Island/Coast Communities



Source: British Columbia Regional Index, Province of British Columbia.

CHAPTER 4: TODAY'S DEMAND: NUTS AND BOLTS FOR THE AIR CARRIERS

This section lays the foundation for an air carrier examining intra-regional air service for the Island/Coast region. The standard Statistics Canada origin-destination numbers represent the absolute minimum existing demand, so this section begins with them. After that, the provincial government's demand for intra-regional air services is examined.²⁴ The lack of demand by the federal government is presented, followed by municipal government demand. An estimate of corporate travel is also made, as is an estimate of potential Island traffic from Seattle and to Calgary through Victoria. Technically, this Seattle and Calgary traffic is not intra-regional traffic, although it would use an intra-regional air system. The different traffic figures are then all summed up to present a total existing demand on the various routes.

The Standard Numbers

Appendix G presents the Statistics Canada origin-destination figures for all traffic to and from Vancouver Island/Coast communities. These numbers represent an absolute minimum amount of *existing* traffic for air services for a number of reasons, but two stand out: only scheduled travel commencing on TimeAir, AirBC or a larger carrier is included; and, all charter traffic, and scheduled traffic on a small carrier, is not included.²⁵

According to this data only, existing travel between communities in the region is very thin. In fact, most Island/Coast communities have far greater existing travel to points outside the region: Campbell River-Calgary; Comox-

²⁴The detailed examination of provincial government demand draws most of its raw information from the information gathered by Gomme Associates.

²⁵A "small carrier" is actually quite large, carrying at least 300,000 passengers for at least two years in a row. AirBC and TimeAir were included in this survey for the first time in 1988. Therefore, any time series analysis for the region using Statistics Canada origin-destination data is practically worthless.

Toronto; Nanaimo-Calgary; Victoria-Calgary or Edmonton.²⁶ The only exception is existing travel from Port Hardy and Powell River to Victoria. Table IV-1 hammers this point home. At present, there are at least 1,690 one-way trips occurring between Victoria and Port Hardy (only taking into account TimeAir and AirBC). This is less than three round trips per day. Clearly, the analysis of demand has to go further. How much traffic would be created if intra-regional air services were improved?

Table IV - 1				
Top Five Intra-Regional City Pairs: Absolute Minimum Existing Scheduled Traffic, 1988 Origin and Destination				
Place From/To		Outbound	Inbound	Total
Victoria, BC	Port Hardy, BC	890	800	1690
Campbell River, BC	Port Hardy, BC	430	330	760
Victoria, BC	Powell River, BC	280	270	550
Campbell River, BC	Victoria, BC	220	270	490
Nanaimo, BC	Port Hardy, BC	160	180	340

Source: Statistics Canada Catalogue No. 51-204.

Note: These figures understate existing origin and destination traffic partly because only AirBC and TimeAir are included in the survey.

The Provincial Government

This subsection is divided into two parts: the first part examines provincial government travel patterns and volumes; the second analyses the costs of provincial travel in the region today, and the costs if employees used a viable intra-regional air service.

²⁶Vancouver is the top destination for all Island/Coast communities. These represent the second most popular destinations. It is interesting to note the region's strong ties to Alberta (251 round trips per day) and Ontario (149 round trips per day).

Existing Traffic

One of the key sources of traffic for, and beneficiaries of, developing intra-regional air services is the provincial government. Therefore, a detailed examination of the provincial government's Island/Coast travel habits was undertaken by Gomme Associates. This work focused on the analysis of 870 travel vouchers obtained from nine ministries for the 1989 fiscal year.²⁷ This represents 72 employees and 736 round trips to the seven Island/Coast communities studied.²⁸ Only 6.7 per cent of these trips were conducted by air.

The travel voucher data is used to determine the ratio of travel between the various points in the region and current mode choice. This is presented in Table IV-2. Port Alberni is included as an example of a community with no large regional carrier air services. Note that 95 per cent of all government travel in the region was between these seven communities.

Table IV-2 shows that provincial government travel patterns for the Island/Coast are dominated by the Victoria-Nanaimo corridor with 35.2 per cent of all provincial government employee traffic travelling this route. On some of these trips, business would have been conducted along the way, in centres such as Duncan; however, in this traffic corridor it is very difficult to determine what percentage of the traffic is not point-to-point. Point-to-point traffic completely dominates travel on the other corridors. Perhaps surprisingly, the second-busiest city pair is Nanaimo-Port Alberni at 12.5 per cent. In third at 9.7 per cent is Comox-Nanaimo, a route that is long enough to consider using wheeled aircraft. What is most interesting about Table IV-3

²⁷The ministries included: Crown Lands; Energy, Mines and Petroleum Resources; Environment; Finance and Corporate Relations; Health; Native Affairs; Regional and Economic Development; and Tourism.

²⁸On average, three round trips are on each travel voucher, and 30 per cent of these were for intra-regional travel. Note, however, that this sample is *slightly* biased toward provincial employees who are known to travel in the region.

Table IV-2			
Mode and Route Choice for B.C. Government Employees: Vancouver Island/Coast Region			
Route	Car	Air	Community Codes
Vic-Nan	35.2%	0.0%	C.R. - Campbell River
Nan-P.A.	12.4%	0.1%	Com - Comox
Com-Nan	9.7%	0.0%	Nan - Nanaimo
C.R.-Com	6.7%	0.3%	P.A. - Port Alberni
C.R.-Nan	6.6%	0.0%	P.H. - Port Hardy
Vic-Com	5.3%	0.8%	P.R. - Powell River
Other	5.0%	0.0%	Vic - Victoria
Nan-P.H.	4.5%	0.0%	
Vic-C.R.	2.8%	1.2%	
Vic-P.A.	2.2%	0.3%	
Vic-P.R.	0.0%	1.7%	
Vic-P.H.	0.3%	1.3%	
C.R.-P.H.	1.1%	0.0%	
Com-P.H.	0.6%	0.0%	
Com-P.R.	0.3%	0.3%	
Nan-P.R.	0.5%	0.0%	
C.R.-P.R.	0.0%	0.3%	
C.R.-P.A.	0.1%	0.1%	
Com-P.A.	0.3%	0.0%	
P.R.-P.A.	0.1%	0.0%	
P.H.-P.R.	0.0%	0.0%	
Total	93.7%	6.3%	
Source: Calculated from data collected by Gomme Associates, October 1990.			

is that **Nanaimo, not Victoria, is the centre for provincial government intra-regional travel** for all communities except Powell River.

Existing travel by air is highest for Victoria-Powell River, followed by Victoria-Port Hardy and Victoria-Campbell River.

While Table IV-2 presents the existing route and mode selection ratios, it does not present the total provincial government traffic for the Island/Coast. This must be estimated from statistics provided by the Ministry of Finance, Office of the Comptroller General (OCG). In 1989, approximately 187,175 travel vouchers were processed for the entire province. Of these, 20,764 were issued to employees who reside in the Vancouver Island/Coast Region. Using the ratios calculated from the voucher sample, this represents an estimated **18,650 intra-regional round trips by provincial government employees per year.**²⁹ Of these, only 1,120 return trips were by air.³⁰ Figure IV-1 presents this provincial traffic flow in detail.

Cost Analysis

To most people, programs to convert this predominantly surface traffic into air traffic can only be justified on the basis of saving money. Other issues, such as the economic development of communities, is often viewed as an important, but secondary benefit. Comparisons between air and surface travel must take into account all the costs involved in travel: fares, mileage, food and accommodations, local transportation, and travel time. This is examined in detail in Table IV-3.

The first part of this table presents the true cost of travel for B.C. government employees if regular scheduled air services were available on the routes listed. The second part of the table presents current true travel costs for surface travel. On nine of the 15 routes, travel by air for government employees would be less expensive than travel by car. As a general rule, on

²⁹(20,764 vouchers)(three round trips/voucher)(30 per cent of all trips being intra-regional) = 18,687.

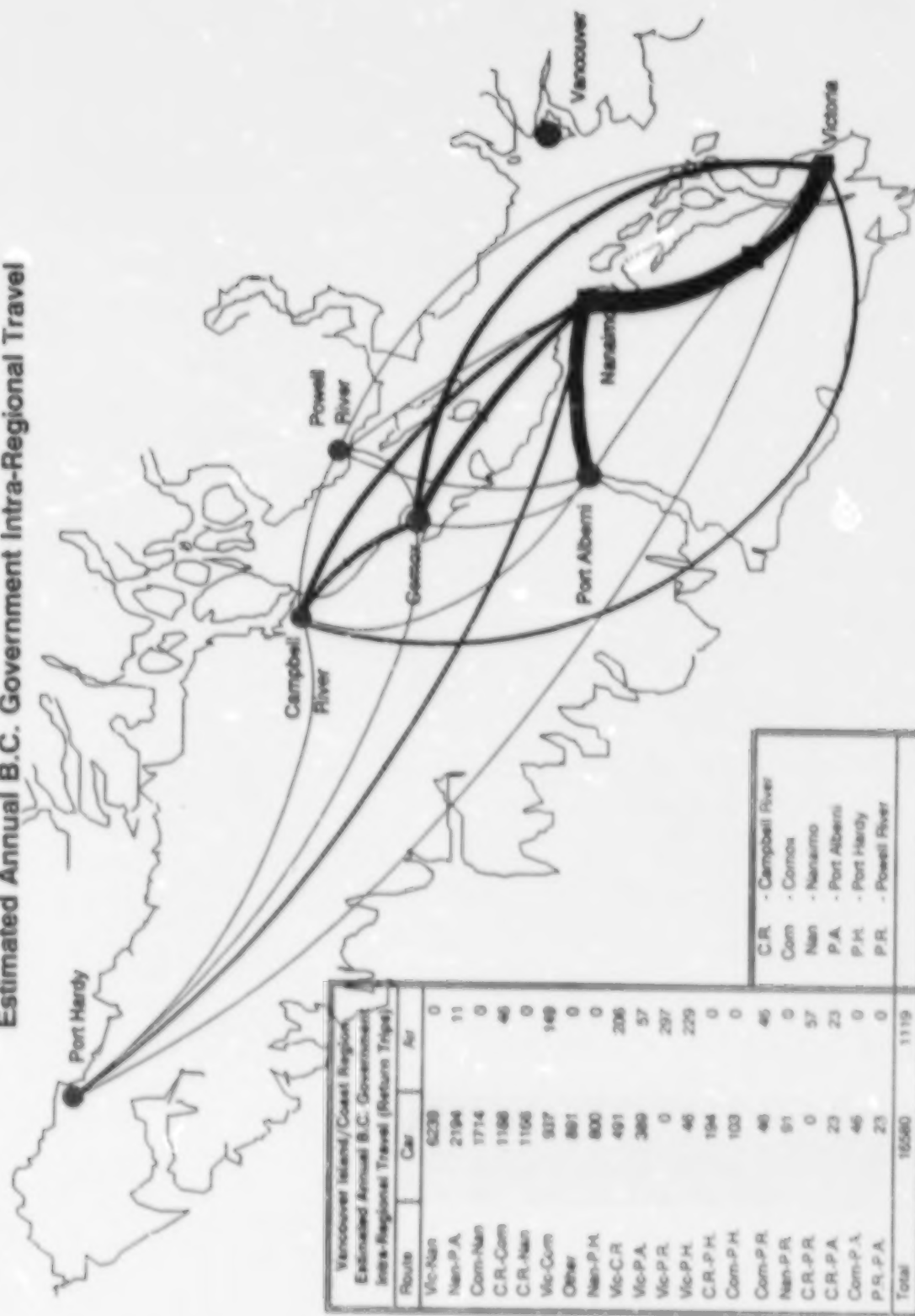
³⁰95 per cent of total intra-regional travel is between the seven communities examined in this report.

any trip that requires overnight accommodation and extra meals because of travel time, it is cheaper to travel by air. It would be very simple to adopt this as a general government travel policy.

The savings are not insignificant. If all provincial government travel on these nine routes switched from surface to air travel, the annual savings to the provincial government would be \$284,000. Regular direct air service from Nanaimo to Port Hardy alone would save \$140,000 annually, followed by Victoria-Comox (\$58,000) and Victoria-Campbell River (\$44,000). Service on these three routes would capture over 85 per cent of the potential savings. Therefore, from a provincial government perspective, efforts to enhance intra-regional air services should initially focus on Nanaimo-Port Hardy, Victoria-Comox, and Victoria-Campbell River.

In addition to the savings outlined above, an intra-regional air system would decrease airfare between the communities in the Island/Coast region by an average of 39 per cent, as the carriers would be flying point to point rather than via Vancouver. While air fares on routes currently passing through Vancouver would drop substantially, there would be little change on the few existing intra-regional services, such as Campbell River-Port Hardy, because they do not presently pass through Vancouver. For B.C. government travel currently moving by air, this reduction in air fares would result in a additional saving of about \$98,500 per year, or \$100 each return ticket. Total savings for all existing intra-regional traffic, including government, resulting from lower air fares would be about \$187,000 per year or \$93 each return ticket.

Figure IV - 1
Estimated Annual B.C. Government Intra-Regional Travel



Source: Calculated from data collected by Gomme Associates, October 1990.

Table IV-3
Cost Analysis: B.C. Government Employees Intra-Regional Return Trip Traffic
Vancouver Island/Coast Region

Cost if Air Service Available														Route		Notes	
	Vic-C.R.	Vic-Cont.	Vic-Nan.	Vic-P.H.	Vic-P.R.	C.R.-Com.	C.R.-Nan.	C.R.-P.H.	C.R.-P.R.	Com-Nan.	Com-P.H.	Com-P.R.	Nan-P.H.	Nan-P.R.	P.H.-P.R.		
Distance One Way (km)	191	149	74	36.4	145	48	133	174	62	89	221	18	307	77	232	(1)	
Estimated Air Fare (return)	\$225.02	\$201.42	\$159.27	\$322.25	\$195.17	\$144.66	\$192.43	\$215.47	\$152.52	\$166.01	\$241.88	\$127.80	\$290.21	\$190.95	\$248.00	(2)(3)	
Destination Car Rental	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	(4)	
Getting to/from Airport	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	(5)	
Travel Time (hr)	3.0	2.7	2.6	3.7	3.3	2.4	2.9	2.9	2.9	2.7	3.1	2.4	3.7	2.7	3.2	(6)(7)	
Labour Cost for Travel	\$101.27	\$69.20	\$68.81	\$124.82	\$110.95	\$79.20	\$97.91	\$98.65	\$98.14	\$90.68	\$122.55	\$60.17	\$124.77	\$89.27	\$107.80	(8)	
Meals	\$0.00	\$0.00	\$0.00	\$11.87	\$11.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11.87	\$0.00	\$11.87	\$0.00	\$11.87	(9)(10)	
Accommodation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(9)	
Total Cost Using Air Transport	\$373.25	\$337.57	\$295.93	\$505.49	\$368.74	\$270.81	\$337.29	\$361.97	\$297.61	\$303.62	\$463.65	\$254.91	\$473.60	\$297.18	\$414.28		
Current Cost Using Surface Transport																	
Distance One Way (km)	264	225	111	502	225	50	153	238	50	114	287	0	391	114	287		
Car Expense (return)	\$137.28	\$117.00	\$57.72	\$281.04	\$117.00	\$28.00	\$79.96	\$123.79	\$28.00	\$59.26	\$149.24	\$0.00	\$203.32	\$59.26	\$149.24	(11)	
Travel Time (hr)	5.8	4.7	2.3	10.8	8.2	1.1	3.2	5.0	4.8	2.4	6.0	3.5	8.2	5.9	8.5	(12)	
Labour Cost for Travel	\$126.47	\$156.92	\$78.40	\$354.57	\$278.35	\$35.32	\$138.07	\$168.10	\$152.74	\$80.32	\$292.71	\$117.43	\$278.17	\$197.95	\$320.14	(8)	
Meals	\$35.00	\$23.34	\$0.00	\$48.68	\$48.68	\$0.00	\$11.87	\$23.34	\$11.87	\$0.00	\$35.00	\$11.87	\$48.68	\$23.34	\$48.68	(9)(10)	
Accommodation	\$65.00	\$65.00	\$0.00	\$65.00	\$65.00	\$0.00	\$0.00	\$65.00	\$0.00	\$0.00	\$65.00	\$0.00	\$65.00	\$65.00	\$65.00	(13)	
Total Cost Using Surface Transport	\$423.75	\$364.26	\$136.12	\$777.29	\$505.03	\$61.32	\$199.26	\$360.29	\$180.41	\$139.80	\$451.95	\$128.10	\$581.17	\$345.57	\$561.96		
Potential Government Savings Using Air Transport																	
Current Surface Traffic	491	937	6239	48	0	1166	1166	194	0	1714	103	46	800	91	0		
Potential Savings Per Trip	\$50.50	\$26.68	\$0.00	\$221.80	\$136.26	\$0.00	\$0.00	\$19.13	\$0.00	\$0.00	\$48.80	\$0.00	\$117.57	\$48.36	\$168.77		
Route Total Savings	\$24,796	\$25,611	\$0	\$10,203	\$0	\$0	\$0	\$3,712	\$0	\$0	\$5,037	\$0	\$94,954	\$4,493	\$0		
Total Potential Regional Savings	\$147,218	(14)															

Notes:

- (1) Distance by air from airport to airport.
- (2) Calculated using October 31st, 1980 air fares from Vancouver to the Island/Coast and regressing on distance. Standard error = 0.4 percent.
- (3) Note that the minimum price for helicopter service would be approximately \$208.00 return.
- (4) B.C. Government car rental rate flat \$28.00/day with 150 free kilometres. Gas for local travel is ignored, as is \$0.26/km for local car expense.
- (5) Assumes employee lives 25 kilometres from the airport and pays \$4/day for parking (\$2.25+\$0.20/km x \$4).
- (6) Travel time from arriving 30 minutes early at airport to destination's downtown core.
- (7) Travel time from home to airport assumed to equal time from home to highway on average and is therefore not included.
- (8) At average rate for mid to senior management \$3.55/hr. ignores fact that time in aircraft or at airport can be productive.
- (9) Only as a result of travel time.
- (10) Meal allowance is \$35.00 per day, or an average of \$11.87 per meal.
- (11) Government employees receive \$0.26/km. Mid-sized government vehicles purchase and maintenance cost is even higher, \$0.26/km, according to Government Vehicle Management Services. Does not include local travel.
- (12) At average highway speed of 95 km/hr.
- (13) Overnight accommodation is assumed for all return trips greater than 5.5 hours. Standard government room rate is \$65.
- (14) Does not include savings due to reduced airfares for existing government air travel being routed through Vancouver, approximately \$98,500.

The Federal Government

Surprisingly, after contacting a number of federal departments, it became clear that federal travel in the region is limited. Travel from the Island/Coast to points outside the region may be substantial, but federal travel is insignificant in the region itself. Therefore, applying the philosophy of using conservative numbers, the federal government's demand for intra-regional air services is viewed as zero.³¹

The Municipal Government

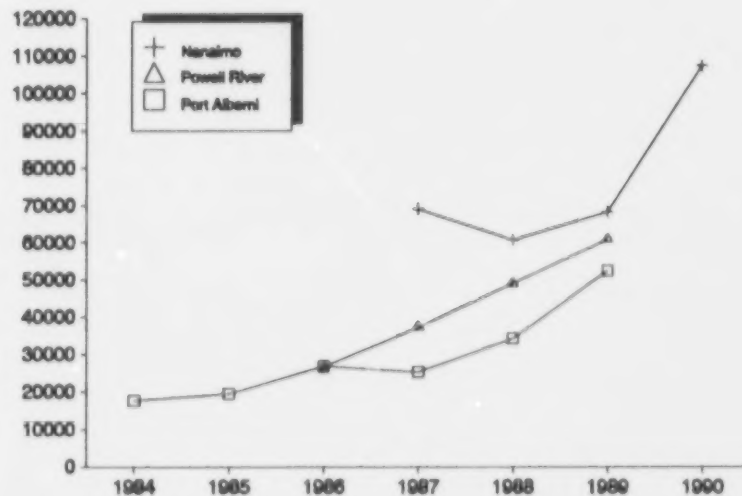
In addition to the provincial and federal levels of government, the municipalities themselves travel throughout the region, mostly from points north of Victoria down to Victoria. Since each municipality has its own accounting method, it is very difficult to determine their exact demand for intra-regional air services. Nevertheless, these communities do have substantial, and growing, travel budgets, as illustrated for Nanaimo, Powell River and Port Alberni in Figure IV-2.

Much of the growth in travel budgets is due to the increasing necessity to attend Island/Coast association meetings. Almost all mayors, administrators, and economic development officers contacted stressed the need for a co-operative approach by the entire region for sustainable development to occur.

Actual intra-regional travel by municipal organizations could not be counted with the exception of Campbell River/Comox-Victoria, where 43 return trips by car occurred last year. It is the intention of these communities to convert most of these trips to air travel if, as a result of direct service, their employees were able to utilize a full working day. Therefore, despite the

³¹Note, however, that the federal government does undertake a substantial amount of travel from the region to Vancouver as "a convenient place for everyone to meet." Therefore, if intra-regional air services improve on the Island/Coast, the federal government could potentially become a large user of the services.

Figure IV - 2
Travel Budget of Island/Coast Communities
1984 - 1990



Source: Data as supplied by communities.

growing importance of municipal traffic in the region, it is not treated as a major source of demand for intra-regional air services in this report.

Corporate Travel

While beyond the scope of this report, an attempt was made to obtain a "feel" for corporate demand for air services in the region. The chambers of commerce in the communities conducted a quick fax survey of 150 businesses in the Island/Coast region. A sample questionnaire and survey results are provided in Appendix F. Of these, a high return rate of 23 per cent was obtained, despite the survey being conducted during July and August, notoriously poor months for responses. This return rate is a good indicator that there is a high level of interest in improving air services. In addition, almost three-quarters of the surveys (74 per cent) came from Campbell

River/Comox, perhaps indicating a stronger grassroots community commitment to improving intra-regional air services. There were no surveys returned from Victoria. Interest appears to be from northern points down, not vice-versa.

Other points of note arising from this cursory survey are: on average, businesses believe that reasonable one-way fares for Comox-Victoria are \$75, and for Campbell River-Victoria are \$100; only two per cent of intra-regional corporate travel is by air; and on average 46 per cent of existing travel would convert to air if direct service and these prices were available. All of this supports the theory that there is a large corporate demand for intra-regional air services.³²

In keeping with the extremely conservative nature of this document, only traffic actually counted by the survey is included in the demand calculations. No attempt was made to scale this up to estimate total corporate demand.

Stealing Vancouver Traffic

Although it is not technically intra-regional traffic, by creating air services between the points in the region, traffic will be diverted from its present routings over Vancouver. Traffic currently travelling to points north of Victoria from Seattle goes via Vancouver. If Victoria is connected to the rest of the region, some of this traffic will route through Victoria, not Vancouver. In addition, traffic to Calgary and beyond from Island/Coast points could connect with existing flights from Victoria to Calgary.

The volume of this traffic will be dependent on the convenience of travel over Victoria versus through Vancouver. This is estimated using the ratios of the frequency of flights for the two communities. Based on this, the total addition to intra-regional air services for the Island/Coast is, conservatively,

³²Also of interest from the survey: on average, businesses would expect a discount of 14 per cent for tickets bought in blocks of 10 or more; and the average vehicle allowance for employee travel is \$0.27 per kilometre.

360 return trips per year.³³ Note that as the region builds better intra-regional services, and creates better connections with points other than Vancouver, it encourages even greater air traffic on the Island/Coast.

The Routes: Total Existing Demand

As shown in Table IV-4, the proven *minimum* demand for air services between points on the Island/Coast is embryonic. Remember, however, that this table presents an *extremely* conservative estimate of demand. Traffic stimulation and potential increases in tourism and federal government travel are not included, and only municipal and corporate traffic that was actually documented by a very small survey is included. Therefore, these numbers represent estimated minimum demand, assuming that a program is implemented to convert all provincial government travel from surface to air.

The potential annual savings to the provincial government are detailed in Table IV-5(a). If the government spent anything less than these amounts to help support these new services, the province would save money overall.

Note that of the six major airports in the Island/Coast region, and the resulting 15 potential routes, only nine can be justified on the basis of saving the provincial government money if air services are available. Total potential annual savings to the provincial government are over \$245,000 per year, including savings resulting from reduced air fares.

³³Nanaimo-Victoria is not included in this total because it is considered too short a leg for wheeled air service.

Table IV-4
Estimated Annual Demand for Island/Coast Intra-Regional Air Services (One Way)

Source of Traffic/Demand		Route											Note	
Vic- C.R.	Vic- Com	Vic- Nan	Vic- P.H.	Vic- P.R.	C.R.- Com	C.R.- Nan	C.R.- P.H.	C.R.- P.R.	Com- P.H.	Com- P.R.	Nan- P.H.	Nan- P.R.	P.H.- P.R.	
Existing Demand														
Stats Can Origin-Destination Traffic	490	0	0	1690	550	0	0	760	0	0	340	0	0	(1)
Unaccounted Existing Traffic	0	0	0	0	0	0	0	0	0	0	0	0	0	(2)
Unaccounted Provincial Traffic	0	298	0	0	0	92	0	0	114	0	92	0	0	(3)
Total Existing O-D Traffic	490	298	0	1690	550	92	0	760	114	0	340	0	0	
Potential Demand for Air Services														
Provincial	982	1874	12478	92	0	2376	2332	388	0	3428	206	1600	182	(4)
Federal	0	0	0	0	0	0	0	0	0	0	0	0	0	(5)
Municipal	44	42	0	0	0	0	0	0	0	0	0	0	0	(6)
Corporate	99	380	33	2	13	686	90	25	13	491	38	51	4	(7)
Tourism	0	0	0	0	0	0	0	0	0	0	0	0	0	(8)
Total Proven Minimum Existing Demand	1125	2296	12511	94	13	3062	2422	413	13	3919	244	1651	186	1
Shifting of Traffic from Vancouver														
Seattle-Victoria-Beyond	244	85	99	132	23	0	0	0	0	0	0	0	0	(9)
Calgary-Victoria-Beyond	154	83	272	0	0	0	0	0	0	0	0	0	0	(10)
Total Shift from Vancouver to Island	398	168	371	132	23	0	0	0	0	0	0	0	0	
Traffic Stimulation	0	0	0	0	0	0	0	0	0	0	0	0	0	(11)
Total (Minimum): Existing, Potential, Transfer, Stimulated	2013	2762	12882	1916	586	3154	2422	1173	127	3919	244	1991	186	1

Notes:

- (1) From Statistics Canada 1988 O-D figures.
- (2) Left as nil to be conservative. In actuality, this traffic could be as much as 30 percent of the Stats Can O-D figures based on an examination of the airports' traffic volumes.
- (3) Existing provincial government air traffic not recorded by Statistics Canada. From Figure IV-2.
- (4) From Figure IV-2. Assumes provincial government converts all travel to air mode.
- (5) Most federal traffic is from the region to Vancouver. Could change substantially if intra-regional service provided, but kept a zero to be conservative.
- (6) Only municipal traffic that could be specifically identified is included. Very conservative.
- (7) Includes only traffic that was actually measured by survey, reduced by 54% that would not convert to air transport. These figures represent less than 1% of the corporations in any community.
- (8) No allowance for increased tourism traffic is made.
- (9) Assumes 22 percent of traffic currently routing to the Island/Coast over Vancouver switches to routing over Victoria. Only counts traffic to Seattle, not beyond.
- (10) Assumes 5 percent of traffic currently routing to the Island/Coast over Vancouver switches to routing over Victoria. Only counts traffic to Calgary, not beyond.
- (11) No allowance for traffic stimulation is included, although figures from 30-100% are commonly used for new, non-stop services.

However, what if the provincial government does not support the enhancement of air services in the near future, or somebody just wants to "get on with the job"? Which are the most probable routes for success, and what is the absolute minimum demand that can be expected soon after commencing service? These routes are ranked in Table IV-5(b). Assuming that only 50 per cent of the provincial government's demand for transportation converts to air traffic, the route with the highest probability for success is Port Hardy-Victoria, followed by Comox-Victoria. Note, however, that the guaranteed proven demand is trivial. An air carrier examining these specific point-to-point services must go through Table IV-4 carefully to determine if actual demand substantially exceeds the conservative methodology used in this report.

There are some intra-regional services that, although embryonic in nature, have immediate potential even using these extremely conservative demand numbers. These are presented in Table IV-5(c). A Port Hardy-Comox-Victoria flight is viable, starting at Port Hardy in the morning, meeting Calgary and Seattle flights out of Victoria, returning at the end of the business day, and using nine- to 12-seat aircraft. Alternatively, the same routing using Campbell River as the centre point is almost as good. However, programs to develop these routes should do so one at a time, not both at the same time, since demand cannot be split between the two services. A Campbell River-Comox-Victoria routing, with some community and government support, is also feasible, possibly including Vancouver in a "loop". Finally, a Vancouver-Nanaimo-Port Hardy circle, with strong support and the correct timing, *may* be feasible.

Note that the savings to the provincial government on these routes would be substantial. Although there is overlap in the savings between these routes, taken individually, the provincial government would save annually: Port Hardy-Comox-Victoria (\$71,087), Campbell River-Comox-Victoria (\$80,956); Nanaimo-Port Hardy (\$94,054), and Port Hardy-Campbell River-Victoria (\$69,710). These routes, one at a time, should be the focus of community and government programs.

Table IV-5(a) Target Routes for Vancouver Island/Coast Intra-Regional Air Services Assuming Program to Convert All Provincial Employee Surface Travel into Air Traffic				
Rank	Route	Absolute Minimum Daily One-Way Demand (1)	Estimated Provincial Government Savings	Rough Fare Estimate
1	Comox-Victoria	7.5	\$40,504 (2)	\$202
2	Campbell River-Victoria	8.5	\$40,482	\$228
3	Nanaimo-Port Hardy	5.4	\$94,054	\$161
4	Port Hardy-Victoria	5.2	\$25,548	\$323
5	Port Hardy-Campbell River	3.2	\$3,712	\$153
6	Victoria-Powell River	1.6	\$33,264	\$200
7	Port Hardy-Comox	0.6	\$5,037	\$242
8	Nanaimo-Powell River	0.5	\$4,403	\$128
9	Port Hardy-Powell River	0.0	\$0	\$248

Table IV-5(b) Target Routes With No Government Support Program Assumes Only One-Half Government Surface Traffic Converts to Air			
Rank	Route	Absolute Minimum Daily One-Way Demand (1)	
1	Port Hardy-Victoria	5.1	
2	Comox-Victoria	5.0	
3	Campbell River-Victoria	4.1	
4	Port Hardy-Nanaimo	3.2	
5	Port Hardy-Campbell River	2.6	
6	Powell River-Victoria	1.6	
7	Port Hardy-Comox	0.3	
8	Nanaimo-Powell River	0.2	
9	Port Hardy-Powell River	0.0	

Table IV-5(c) Potential Routings With No Government Support Program Assumes Only One-Half Government Surface Traffic Converts to Air			
Rank	Route	Absolute Minimum Daily One-Way Demand (1)	Comments
1	Port Hardy-Comox-Victoria	12.6	Must connect with flights to Seattle, Calgary, and points out of Port Hardy.
2	Campbell River-Comox-Victoria	9.1	Possibly part of a loop with Vancouver.
3	Nanaimo-Port Hardy	3.2	Probably as part of a Vancouver-Nanaimo-Port Hardy routing. (3)
4	Port Hardy-Campbell River-Victoria	11.9	Must connect with flights to Seattle, Calgary, and points out of Port Hardy.

Notes			
(1) Does not include any new federal or tourism traffic, any multiplier, or any "unaccounted" municipal or corporate travel.			
(2) Includes savings from decreased air fares.			
(3) Existing traffic from Vancouver to Port Hardy is 75 one-way trips per day.			

Again, it must be stressed that these demand figures are deliberately conservative. Once properly timed and promoted service commences on one of these routes, and actual demand can be estimated, the demand figures presented in Table IV-5 could be used as ratios to estimate the demand on the remaining routes.

CHAPTER 5: COMMUNITY ACTION: CREATING DEMAND

It is obvious from the demand numbers presented in this report that enhancing intra-regional air services will require a substantial amount of support and demand creation by the communities, especially those not highlighted in the previous chapter. Communities themselves, if aggressive and proactive, can undertake a substantial number of activities to create demand for air services. Presenting some of these options is the purpose of this chapter.

Note that this chapter does not present a detailed development or rationale for its recommendations. This is strictly advice based on observations made at several airport communities over the past several years.

Form an Air Transportation Marketing Committee

The first step in developing air transportation traffic is to create an active and involved group that is focused on promoting air issues. In many places, this is a committee of the economic development office, a separate authority answering directly to city council, a chamber of commerce committee, or a group set up by the airport. There are successful--and unsuccessful--examples of all of these.

Membership: A Complete Approach

Whatever vehicle is used to create a community's air transportation marketing committee, it is extremely important that a complete approach to membership is used. Representatives from chambers of commerce, economic development offices, the regional district, city hall, the airport, major tenants of the airport, manufacturing groups, tourism, and local carriers must all be included. The more these players have a stake in the project, the more effective the committee will be. To some degree, "conflict of interest" is

desirable, as long as it is clearly pointed out on the appropriate issues. This is a working committee, and as such it requires members who are "in the business."

In addition, the complete region must be represented. Far too many communities do not come together to promote the airport facilities that are vital to the entire region. A successful marketing committee is one that dissolves the "territorial" boundaries that often dominate municipal politics.

Mandate

The committee must have a very clear and strong mandate to promote the entire region through air transportation linkages. Some communities have set up transportation committees that also cover non-air issues. However, the result of this broader transportation mandate is that air transport issues are not promoted effectively or they completely dominate the committee's activities. It is better to focus on a broad air services mandate that includes inter-modal linkages and land development than to have a narrow air services mandate or an overall transportation mandate.³⁴

Funding: Dollars on the Table

There has to be a recognition by the community that enhancing air services results in economic benefits to the region and therefore the activities of an airport marketing committee should be funded. This should be viewed as an investment, not an expense.

Initially, funding for marketing need not be extensive. If an active committee is formed, a small operating budget is all that is required in the first year. In subsequent years, as additional activities are undertaken, the

³⁴Note that some communities would argue that they have done well with very broad "port authority" concepts that include all transportation modes.

budget could grow substantially. Part-time advice may be required, followed by a part-time staff person, and possibly then a full-time executive director.

Communities should push for a passenger user fee to fund the marketing activities (broadly defined) of the airport. Note that to do this, the airport will probably have to be under local control. No one is going to decide not to fly to an Island/Coast community if it costs an extra two or three dollars per trip. The revenues resulting from the fee, if targeted at enhancing air services, would be money extremely well-invested in the community's future.³⁶

Because demand for intra-regional air services is thin, communities hoping to increase their air services will have to contribute financially to marketing and risk-sharing programs with the air carriers. There are two basic reasons for this. First, the community is going to benefit from the air service, so it should not expect a "free lunch." However, it is the second reason that is far more important. If the community has put broad-based financial support into new air services, it is far more likely to do everything it can to make those programs a success. For example, Redmond, Oregon, agreed to risk-share with American Eagle (American Airlines regional feed carrier) to commence services. However, because the community put itself financially on the line, they got behind the service and no subsidy was ever required.

Funding specifically targeted at supporting a new service is separate from the funding for general marketing activities of the committee. The level of local community funding required to support new air services is heavily dependent on the population base. To provide an order of magnitude, Table V-1 analyses the relatively new air service risk-sharing program in South Dakota. In this program, the communities and the state contributed to a pool of funds, and air carriers were contracted to provide new services.

³⁶Note that in the new U.S. budget, airports were given the authority to impose a three-dollar passenger user fee. This will rapidly become standard throughout the United States. Denver has already announced its intention to impose this fee.

Table V-1
Analysis of South Dakota Air Transport Risk-Sharing
Program
Two-Year Program

Community	Population	Direct Fee Revenue (1)	Local Contribution	State Contribution (2)
Aberdeen	25,851	\$19,179	\$38,429	\$91,488
Brookings	14,951	\$3,119	\$21,471	\$51,116
Huron	13,000	\$8,524	\$24,824	\$59,099
Mitchell	13,916	\$8,019	\$25,996	\$61,889
Pierre	13,000	\$48,520	\$44,881	\$106,849
Rapid City	46,492	\$50,479	\$25,856	\$61,556
Sioux Falls	81,343	\$43,792	\$77,435	\$164,350
Watertown	15,649	\$15,845	\$20,102	\$47,857
Yankton	13,000	\$6,493	\$15,036	\$35,796
Total	237,202	\$205,970	\$294,030	\$700,000
Average Contribution per Capita per Year		\$0.43	\$0.62	\$1.48
Notes: (1) Terminal, landing and fuel-flow fees. (2) Estimate based on ratio of local funding levels. (3) All figures are in U.S. currency.				

There are three key items to note: one, the population base of the communities involved is small--not much over one-half the population of the Island/Coast communities; two, the routes are anchored to the state's capital city, Pierre, which has a population of less than 13,000 -- a far weaker anchor than the Island/Coast's Victoria; and three, on average, the communities contributed US\$ 1.25 per capita split over a two-year period. The Island/Coast communities must be willing to contribute at least this level of funding to any intra-regional air enhancement strategy.

Approaching the Carriers

With an active air services committee in place, all the air carriers that are capable of providing some sort of service to the community, today or in the future, should be contacted. Both air carriers and passengers/cargo through the airport's facilities are the committee's concerns, and should be treated in a professional manner that brings about a long-term relationship.

Many air services committees have a small "air carrier relations" group that deals with the air carriers on an ongoing basis. Developing an understanding of what is important to the various carriers requires that the same people handle this over a number of years. All departments of a larger carrier are important. The community's potential must be made clear to operations, local management, marketing, planning and finance representatives of the carrier.

Remember, an air carrier will not commence service to a community just because at some time down the road it might pay off. Carriers need to see the package being offered today--tourism programs, the contact list of people making the travel arrangements at all local corporations, and joint marketing programs.

Communities should attempt to set up a working group with each air carrier serving them. Suggestions for service improvements and marketing activities can be discussed. All of this work must focus on ways to increase the level of traffic on the carrier. Slight changes in service timing or routings can even be explored.

For example, in the short run, Island/Coast communities should encourage the existing air carriers to explore the possibility of using the same plane between, say, their community, Vancouver and Victoria. This would improve air linkages for the region by removing the need to make a transfer in Vancouver, and hopefully the resulting increase in traffic would encourage the carrier to examine the possibility offering the communities non-stop service.

In short, a community's approach to the carriers must be patient, professional and persistent.

Using Travel Budgets

As shown earlier in this report, municipalities have quite substantial travel budgets. If a community believes that it is currently under-served by air transport, it should review its travel policies to see if it is doing everything it can as a user to encourage increased air linkages. Are per-kilometre car rates to employees so high that highway travel is encouraged over air transport? Is labour cost for travel considered when making travel decisions? Are locations for regional meetings selected with the mode of travel in mind? Are new air carrier services utilized, or does all business go to the established carriers on their entrenched route structure? Are the people who make travel arrangements aware of all the options? Does the municipality know how its travel budgets are currently being spent?

Although these questions are all straightforward, a community should ensure that its own house is in order before pushing for different air carrier services or provincial support for air service enhancement.

Teaming Up With Other Communities

Because existing demand for air services is so thin, there is absolutely no room for destructive competition between Island/Coast communities. Most routes, to be successful, will require linking three points in the region together. This requires co-ordinated activity between the players up and down the region. A government and community initial contact list is provided in Appendix E to assist in this process.

The short-run strategy must be to combine the traffic demand and marketing abilities of the communities. For example, Campbell River and Comox could work together to make Campbell River-Comox-Victoria service a

success. If the route is a major success, carriers will examine the possibility of providing non-stop service to the communities involved.

Marketing Programs

Communities must focus on marketing programs--all the small day-to-day activities that they can undertake to promote air services. This brief subsection focuses on marketing projects. In the next chapter, larger-scale risk-sharing strategies are explored, since the lion's share of funding for those types of programs will have to come from sources outside the community.

Tagging on Existing Activities

All communities in the Island/Coast region already promote their tourism and business development activities. The first, and least costly, step toward marketing a community's air services is to "piggy-back" on existing marketing vehicles. The Ministry of Tourism Travel Industry Package Guide promotes modes of travel in the province, including air. The Tourism Association of Vancouver Island publishes a similar document promoting tourism activities on the Island. Promotional space for carriers and the document itself are both free to the public. Brochures put out by the various agencies should not just state that an airport exists. They must list all the air carriers currently servicing the region and provide contact numbers for them. Consideration should be given to listing all communities connected by same-plane service to the airport. A simple route map should be produced and updated at least annually presenting all existing same-plane routes.

Other communication vehicles must also be used to their fullest. Chamber of commerce newsletters should have an air services box, possibly offering inexpensive advertising space to carriers to list promotions, standard rates, and services.

Most Island/Coast communities produce a plethora of brochures promoting attractions, tours, accommodations and recreational retreats. These can all be used to help list how to "get there by air." Quite often these brochures are looking for something of value to "fill in that last spot." Why not supply them with that information?

In addition, do not forget to keep all the travel agents in the community informed about new developments on a *regular* basis. This information process needs to be conducted regularly, but cannot be viewed as automatic. Travel agents receive a multitude of promotional material; therefore, a community's approach must entail a more personal part-of-the-team strategy. A representative of the travel agents should be a member of the air services committee. After all, they have as big a stake in air service enhancement as anyone, and their insights are often practical and invaluable.

New and Improved Programs

Once the existing marketing and communication channels are fine-tuned, it is time to increase the base funding of the air services committee and explore new programs and ideas. These will be very community-specific, depending on the types of industries, tourism strategies, and geographic location. This next step will be quite obvious to an active committee, so only two guiding concepts will be presented here:

- Develop and work with the air carriers on these programs, including developing comment cards and surveys, identifying potential corporate travel, exploring tourism packages, and launching marketing campaigns. The carriers know their market and operation better than a community ever will.

- Do not spend a lot of money on detailed studies. Why produce a \$50,000 passenger marketing strategy when that would pay for a full-time person for a year to "get on with the job." If the committee feels that it requires expert assistance for a particular project, find someone who will point you in the right direction rather than examine every minute detail.³⁶

Make Sure Everyone in Town Knows

The number one task of the committee should *not* be to attract new air services. Most communities make this mistake. It is very seductive to focus on approaching carriers with an exciting new concept and try to sell it to them. However, it is much more productive if the community focuses on ensuring that everyone in the region is aware of the *existing* air services, and the cost savings and marketing benefits that can be gained by using their services. When you support what you have, carriers can automatically see that new services will be backed up by the community and not forgotten.

To this end, the air services committee should produce a quarterly report on air services and send it to all businesses in the community. This document should detail what is happening, who is doing what, the airport's activities, plans and staff, as well as "sell" the carriers their services and pricing in detail. If well done, this becomes both an interesting publication and a powerful tool for business and community marketing.

Do not forget air cargo. For historical reasons, many Island/Coast communities are set in the "put it on the truck or bus" shipping mentality. To counteract this, the air services committee should provide basic information about the different shipping options and rates, and should target small business with "the day you put an item on a plane is the same day you can

³⁶This is not to say that extensive detailed work is never required. This approach reflects the fact there are so many projects that can be undertaken now before this expensive level of expertise is necessary.

invoice your customer," which reduces the amount of receivables that need to be financed. This is the sort of language that small business understands.

In summary, the main task of the air services committee is to ensure that everyone is well-educated regarding the community's air services. This increases demand for air services, which naturally leads to additional and improved services.

Long-Term Strategy

Communities should have an idea of their long-term air transportation strategy. Over time, air service committees should strive for greater independence and aim to assist the development of airport facilities as economic development tools. Since the Island/Coast airports exist under a variety of operating regimes, ranging from Transport Canada-owned-and-operated to complex lease arrangements, the path to greater independence varies for each community. Nevertheless, each Island/Coast community should have in the back of their minds a plan to move towards a strong, stable and viable local airport authority with a mandate to support the economic activities of the entire region.

A Vancouver Island/Coast Air Services Enhancement Task Force

In parallel to the local activities in each community, it is strongly recommended that the Vancouver Island/Coast region create a "regional air services enhancement task force" to combine the individual efforts of the communities. While the individual communities themselves can do much to improve the quality and quantity of their air services, a major Island/Coast-wide program to support the development of an intra-regional route structure can only occur through the combined efforts of the entire region.

Each community presented in this report should have a member on this task force, preferably someone who is active in the local air services committee. The purpose of the task force would be to develop with the provincial government and other organizations both a comprehensive risk-sharing program and a marketing program that can be used to develop intra-regional air services. These programs are described in the next chapter.

The reasons for making the Island/Coast region the launch site for these programs are:

- the region has the second-highest population base in the province next to the Mainland/Southwest which, because it only has one main airport, does not possess the pressing need for intra-regional air services;
- the need for intra-regional air services was clearly identified by the region's Transportation Task Force;
- perhaps more than any other region, the Island/Coast is held captive to the congestion problem at Vancouver International Airport;
- intra-regional air services would help alleviate some of the pressures placed on the Island Highway;
- travel cost savings to the provincial government would be substantial.

This rationale must be backed up with a willingness by the communities to contribute financially to a major program.

Figure V-1 illustrates the two-prong strategy outlined in this chapter: one, the local community strategy; and two, the task force regional strategy. Both these strategies operate in parallel, and meet up again once a major region-wide program is implemented. Once the major program has proven successful, it should immediately be expanded to the other regions of the province.

Figure V - 1

Steps to Enhancing Intra-Regional Air Services



If the task force is aggressive, the provincial government responsive, and other bodies--such as Western Economic Diversification--are brought into the picture from the start, there is an opportunity to create *the* model air service enhancement program for Canada.

CHAPTER 6: SUPPORTING THE PROGRAM: GOVERNMENT AS A PARTNER

A successful air services enhancement strategy is heavily dependent on the support of the provincial government in partnership with communities, local government and local carriers. There are two main categories of programs that could be implemented by the province within the region. The first is a collection of wide-ranging initiatives designed to lower barriers to air services. The second is some type of risk-sharing program to entice air carriers to commence new services. Both of these approaches are explored below. Please note that all price estimates are initial "back of the envelope" costings and are designed only to provide the reader with a feel for the true cost's order of magnitude. This section concludes with a brief paragraph on government funding of air services. After all, in a recessionary economy, there must be strong rationale behind all government funding programs.

Lowering Barriers to Air Services

It is often argued that one of the roles of government is to increase opportunity through the reduction of barriers to entry. In the aviation industry, these barriers can be lack of information, poor access to computer reservation systems, large capital start-up costs, marketing and publicity difficulties, and attitudinal barriers.

The Need for Information

There are two basic research tasks that could be conducted to support intra-regional air services:

- A comprehensive phone/fax survey in the targeted communities to *all* licenced businesses to determine their exact transportation needs and who makes the travel decisions at the firm. The survey would be similar to the very cursory survey conducted for this report. The

resulting contact list, and demand for various routings, would be distributed to all carriers. Extremely rough cost estimate: \$6,500 for every 1,000 companies successfully contacted.

- An ongoing analysis of existing air carrier routing patterns and traffic flows using the raw data collected by Statistics Canada. Throughout this report, the failings of Statistics Canada data to provide the information required to make routing decisions has been discussed. This is not a criticism of Statistics Canada. It is a recognition that their analysis is targeted at larger communities. The computer system and software set up to address this key analysis oversight would cost roughly \$50,000 to \$80,000.

Access to Computer Reservation Systems

In today's information-intensive age, air carriers need access to international computer reservation systems (CRSs). Unfortunately for the small carrier, these systems were developed by large carriers, and access to them reflects this. At present, it is not difficult for a small carrier to be listed on computer reservation systems. However, tickets for travel on small carriers cannot be issued through them. Instead, the travel agent must telephone the carrier and prepare the passenger's tickets. Since these are not typically high-priced tickets, and travel agents receive only an eight per cent to 10 per cent commission, it is far easier for them to issue the ticket on the larger regional air carrier serving the route and hand it to the customer right away than it is to call the small carrier. For a small carrier to set up on Canada's largest reservation system, Gemini, there is a one-time start-up fee of \$15,000, plus an on-line fee of about \$750 per month. Financially and psychologically, this is an extremely difficult barrier for small carriers to overcome.

The managers of Gemini system are willing to discuss setting up a single corporate entity to serve a number of the small carriers. That entity would act as a clearing house, communicating purchases to the air carriers. It could also be involved in maintaining the seat inventory for the carriers (since CRS

systems do not handle a carrier's seating inventory). If this was done, a whale-watcher in a Florida travel office could book a flight all the way to Tofino, using an extremely small carrier for the final leg, and receive his or her ticket on the spot. The boost to British Columbia's tourism industry from such a system, especially to the smaller communities, could be exceptional.

This new approach would require the support of the provincial government to act as the initial catalyst, bringing together the small carriers of the entire province. Start-up costs, and the initial year of operation, would require roughly \$125,000, part of which could be recovered from the member carriers. Over time, the government could step back from the operation and the carriers themselves could undertake its ongoing operation.³⁷

Capital Barriers

As in most industries, air carriers face a high capital-cost barrier to entry. From time to time, various governments have attempted to address this. In Ontario, several small aircraft were purchased to commence service between northern communities. In South Dakota, purchasing aircraft and contracting their operation out to the carriers was considered and rejected in favour of service contracts with existing carriers. Loan guarantees are often discussed, but it might be difficult to justify making aviation a special case over other industries. During the course of this project, almost all small carriers said they would look very favourably on these types of programs; however, this is far from a simple issue and its direct benefit to intra-regional air services for the Island/Coast is questionable.

Product Awareness

One of the major barriers smaller carriers face is developing customer awareness of their product. To overcome this, the provincial government could

³⁷It should be noted that Horizon Pacific, with its expertise in air transport, communications and computer systems, is very interested in pursuing this idea further.

follow the general strategies outlined earlier for the communities--use existing tourism and development materials to promote air carriers and services. Additionally, new Vancouver Island-by-air materials could be developed--these would be updated regularly and focus on both passenger and cargo traffic. This project is probably best handled by a widely distributed request for proposals, where the successful bid retains advertising revenue and assumes printing costs. Some subsidy will be required for the first few issues. Distribution could be directed through tourism channels and direct mail-outs to all corporations in the region identified as users of air services. With these conditions, a rather substantial document's first issue would probably cost less than \$25,000 and should be self-sufficient after one year.

Attitudes

This is the greatest barrier to entry for small carriers and is often linked in people's minds to safety-related worries. The only way to overcome this is through exposure to small air services. The government can assist here with its travel policies, in much the same way as the municipalities can, but on a far greater scale.

The provincial government could encourage employees to travel by air for any trip that requires overnight accommodation where economically justified.

To further support new services, the provincial government should treat all carriers equally, and not show a bias toward any specific carrier through policies such as bulk purchases. Instead, convenience of service should determine which carrier is used in any given situation.

Service Development Through Risk-Sharing

While the program just outlined helps lower barriers to entry and stimulate a competitive air services industry, regions without services will

require government-supported service development programs such as risk-sharing to quickly enhance scheduled services in a region.

A variety of risk-sharing programs have been very successful in the United States. Few, if any, have ended up costing the communities or government any money. Demand studies for air travel are usually conducted, potential routes are selected, and then air carriers bid on supplying scheduled services on those routes. The communities and governments involved set up a line of credit, ranging from \$100,000 to \$2,000,000, which can be drawn down in any month that the carrier does not break even. In addition, there is usually profit-sharing for the months the service is successful. Commitment to the service should be from two to three years, or until the line of credit runs down, whichever comes first.

For risk-sharing programs to work, it is imperative that they be developed to share the risk between the province, carrier *and the community*. Based on Table V-1, the provincial government should consider matching the dollars that the community contributes. If the partners have contributed money, a program's chances of success are greatly increased, since something is at stake.

A well-developed risk-sharing program would be a first in Canada.

Funding

Funding for new programs is of great concern in this age of financial uncertainty. However, new aviation programs targeted at creating demand have many different sources of funding available:

- **Savings to the provincial travel budget.** As shown earlier in this report, the provincial government will obtain substantial savings on many routes that currently do not have air services. The province should be willing to invest these savings. At the same time, the provincial treasury will benefit from increased tax revenues due to tourism and economic development.

- **Aviation fuel tax.** At the present time, the substantial funds raised by the aviation fuel tax are not directly targeted back into the aviation industry. Since air transport is such a vital infrastructure for economic development, this policy should be reviewed.

- **Western Economic Diversification.** Marketing of tourism opportunities is within the WED's mandate. Aviation demand creation programs, in conjunction with the communities and the provincial government, could become a true show-piece for the WED.

- **Landing fees.** There is a trend throughout North America toward imposing user fees of three to seven dollars on passengers. If these revenues are targeted for programs that increase demand for air services, they can become a powerful development tool.

CHAPTER 7: CONCLUDING THOUGHTS: CREATING DEMAND

This report has presented a comprehensive strategy for creating enhanced scheduled air services for the Vancouver Island/Coast Region. However, the key word is *creating*. None of the programs, routings, or economic development concepts outlined in this report will occur unless the communities work hard by themselves *and* in conjunction with both the region and the province as a whole to create demand for air services. If intra-regional air services were already completely viable, then air carriers would be flying those routes. A laissez-faire approach will not do.

The Vancouver Island/Coast Region, with its unique quality of life and its now-diversified economic base, is very close to possessing the critical mass it requires to turn "future vision" for its communities into "economic reality." The key infrastructure required for this is an intra-regional scheduled air services network. For this to happen, an aggressive, future-thinking, proactive and step-by-step approach by all the region's communities is required.

APPENDIX A: SELECTED CONTACT AND THANK-YOU LIST

Don Anderson, Lieutenant-Colonel, Base Administration Officer, Comox Base

Bill Ayer, Vice President, Planning and Marketing, Horizon Air Industries, Inc., Seattle

David Bachynski, Air Policy, Ministry of Transportation and Highways, Victoria

Peter Baily, Aviation Statistics Centre, Ottawa

Jim Cameron, Regional Development Liaison Officer, Ministry of Regional and Economic Development, Vancouver Island/Coast Region

Tim Carpay, Director of Marketing and Development, Vancouver

Dave Dale, Director of Development, Boundary Bay Airport, Delta

Ernie Dreger, Airport Manager, District of Campbell River

Peter Gibson, Manager, Guest Services, Mount Washington Ski Resort Ltd., Courtenay

Phil Gohier, Travel Agent, Lloyd's English Bay Travel, Vancouver

Lisa Gow, Regional Development Officer, Ministry of Regional and Economic Development, Vancouver Island/Coast Region, Victoria

Ralph Hakka, Aviation Statistics Centre, Ottawa

Elizabeth Harvey, Parks and Recreation Facilities, Regional District of Mount Waddington

Sonny Hinchcliffe, Acting Airport Manager, Port Hardy, Transport Canada

Al Huddleston, Mayor, District of Port Hardy

Clayton Hutchings, Operations Manager, Coval Air, Campbell River

Chris Kent, Operations Manager, Waglisla Air, Vancouver

Annemarie Koch, Economic Development Officer, Regional District of Mount Waddington

Larry Langford, General Manager, Vancouver Island Air Ltd., Campbell River

Walt Lengerke, Economic Development Commissioner, Comox Valley Economic Development

Brian Lepas, Driver, Nanaimo Airporter

Pat Marshall, Economic Development Officer, District of Campbell River

Mike Mayor, Air Nootka, Gold River

Roger McDonell, Manager, Campbell River and District Chamber of Commerce

Greg McDougall, Harbour Air, Vancouver

Norman McLaren, Executive Director, Campbell River Tourism

Bob Mercer, Design Editor, The Province Newspaper, Vancouver

Tom Morrison, Senior Project Analyst, Government of Canada Western Economic Diversification

David Oliver, President, Canadian Eagle, Vancouver

Kevin O'Neill, Base Manager/Pilot, Canadian Helicopters, Campbell River

Greg Osborne, President, Comox Chamber of Commerce

Andy Shanks, Director Air Policy, Alberta Transportation and Utilities

Bill Shephard, Administrator, Regional District of Mount Waddington

Brenda Trockstad, Marketing Analyst, TimeAir, Lethbridge

Jack Turner, Chairman, Regional District of Comox-Strathcona

Bill Walton, President, Waltair, Courtenay

APPENDIX B: VICTORIA REGIONAL DISTRICT'S LARGEST EMPLOYERS

<u>Rank</u>	<u>Company Name</u>	<u>Phone#</u>
1.	Government of Canada Department of National Defence	380-4006
2.	Province of British Columbia	387-0453
3.	Greater Victoria Hospital Society	595-9522
4.	School District #61 (Greater Victoria)	381-3212
5.	University of Victoria	721-7211
6.	BC Ferry Corporation	387-1401
7.	Victoria, City of	385-5711
8.	Saanich, District of	386-2241
9.	BC Telephone Company	388-8601
10.	Juan de Fuca Hospital Society	595-5722
11.	Capital Regional District	388-4421
12.	Eaton's	382-7141
13.	School District #62 (Sooke)	478-1781
14.	Camosun College	478-1781
15.	Canada Post	592-1281
16.	Glendale Lodge Hospital	388-3725
17.	Government of Canada DND Militia (Reserves)	479-7101
18.	School District #63 (Saanich)	388-3954
19.	BC Systems	652-1151
20.	Canadian Corps. of Commissionaires	389-3954
21.	Government of Canada H.M.C.S. Malahat	386-2931
22.	Saanich Peninsula Hospital	380-4005
23.	Arbutus Society for Children	652-3911
24.	Butchard Gardens	477-1826
25.	BC Transit Operating Company	652-4422
26.	Government of Canada Department of Fisheries & Oceans	385-2551
27.	Oak Bay, Municipality of	356-6515
28.	Sears Canada Inc.	598-3311
29.	Woodward's	595-9111
30.	Bay, The	386-3322
31.	Bluebird Cabs Ltd.	385-1311
32.	BC Buildings Corporation	382-3611
33.	Canada Safeway Limited	387-7292
34.	Empress Hotel	687-4833
35.	Fairway Holdings Ltd.	384-8111
36.	Times-Colonist	385-4814

37. Fletcher Challenge Canada	380-5238
38. Government of Canada Health and Welfare	385-3331
39. Island Medical Laboratories	388-3398
40. Oak Bay Lodge	479-5412
41. Save-On-Foods	598-3431
42. School District #64 (Gulf Islands)	537-5548
43. Thrifty Foods Ltd.	479-1641
44. BC Hydro and Power Authority	479-9311
45. BC Steamship Co. Ltd.	388-7397
46. Esquimalt, Township of	385-2461
47. Government of Canada Coast Guard Victoria	388-3442
48. Government of Canada RCMP	380-6161
49. Government of Canada Pacific Forestry Centre	388-0600
50. Lamford Forest Products	642-5221
51. Paul's Motor Inn	382-9231
52. Victoria Plywood Cooperative	382-8241
53. Pacific Coast Savings Credit Union	388-7331
54. Alma Mater Society of University of Victoria	721-8351
55. Century 21 Suburban Realty	478-8316
56. Garth Homer Centre	388-4244
57. Government of Canada Correctional Services	380-4642
58. Island Farms Dairies Co-op	386-2281
59. James Bay Lodge	388-6457
60. K Mart (Saanich)	477-6902
61. Mount St. Mary Hospital	384-7158
62. Red Apple Foods Incorporated	385-8818
63. Versatile Pacific Shipyards	385-4421
64. YM-YWCA	386-7511
65. Bank of Nova Scotia	388-4441
66. Brown Bros. Agencies Ltd.	385-8771
67. Assessment Authority of BC	595-6211
68. Canada Trust	382-8111
69. CHEK Television	383-2435
70. CIP Inc.	665-5920
71. Crest Harbourview Inn	386-2421
72. Glenwarren Lodge	383-2323
73. Goodwill Enterprises	385-5756
74. Government of Canada Employment and Immigration	388-3481
75. High Tech Systems	382-6313
76. Island Community Home Support Services	382-5135
77. K Mart (Langford)	474-3148
78. Kennametal Ltd.	474-1225

Creating Demand: Intra-Regional Air Services Enhancement Strategy

79. Medox Health Service	388-7388
80. Nicholson Manufacturing Ltd.	385-6757
81. Royal British Columbia Museum	387-3701
82. Royal Oak Inn Resort	658-5266
83. Toronto Dominion	356-4000
84. Upjohn Healthcare Services	595-2133
85. Wescraft Manufacturing Company Limited	652-1131
86. Woolworth, F.W. and Co. (Woolco)	386-3241

Source: "Regional Information Service Capital Regional District."

- NOTE:
- 1) Data compiled from a survey conducted by regional information service staff during 1988.
 - 2) Data applies to locations within the Capital Regional District only.
 - 3) Companies may have additional seasonal employment which is not included in the employment estimate.

APPENDIX C: "SAMPLING" OF SCHEDULED SERVICES BY SMALL CARRIERS: VANCOUVER ISLAND/COAST REGION

<u>From</u>	<u>To</u>	<u>Flights/Week</u>	<u>Carrier</u>	<u>Aircraft</u>
Bella Bella	Alert Bay	3	Waglisla Air Inc.	Navajo Chieftan
Campbell River	Alert Bay	3	Waglisla Air Inc.	Navajo Chieftan
Campbell River	Anahim	5	Wilderness Air	King Air 100/200/Navajo
Vancouver	Anahim	7	Wilderness Air	King Air 100/200 Navajo
Vancouver	Bella Bella	14	Pacific Coastal Air	King Air
Port Hardy	Bella Bella	5	Pacific Coastal Air	Piper Navajo
Vancouver	Bella Bella	7	Waglisla Air Inc.	Navajo Chieftan
Alert Bay	Bella Bella	3	Waglisla Air Inc.	Navajo Chieftan
Bella Coola	Bella Bella	5	Wilderness Air	Cessna 206/Islander
Bella Bella	Bella Coola	5	Wilderness Air	Cessna 206/Islander
Anahim	Bella Coola	12	Wilderness Air	King Air 100/200 Navajo
Alert Bay	Campbell River	3	Waglisla Air Inc.	Navajo Chieftan
Bella Coola	Campbell River	5	Wilderness Air	King Air 100/200 Navajo
Vancouver	Courtenay	3	Waltair	Cessna 172
Texada Island	Courtenay	2	Waltair	Cessna 172
Tofino	Port Alberni	7	Pacific Rim Air	Cessna 172/Piper Aztec
Vancouver	Port Alberni	21	Pacific Rim Air	Cessna 172/Piper Aztec
Bella Bella	Port Hardy	5	Pacific Coastal Air	Piper Navajo
Vancouver	Powell River	14	Pacific Coastal Air	Piper Navajo
Vancouver	Powell River	7	Pacific Coastal Air	King Air
Vancouver	Qualicum Beach	19	Pacific Coastal Air	Piper Navajo
Courtenay	Texada Island	2	Waltair	Cessna 172
Port Alberni	Tofino	7	Pacific Rim Air	Cessna 172/Piper Aztec
Powell River	Vancouver	7	Pacific Coastal Air	Piper Navajo
Qualicum Beach	Vancouver	19	Pacific Coastal Air	King Air
Bella Bella	Vancouver	14	Pacific Coastal Air	King Air
Powell River	Vancouver	14	Pacific Coastal Air	Piper Navajo
Port Alberni	Vancouver	21	Pacific Rim Air	Cessna 172/Piper Aztec
Bella Bella	Vancouver	7	Waglisla Air Inc.	Navajo Chieftan
Courtenay	Vancouver	3	Waltair	Cessna 172 *
Bella Coola	Vancouver	7	Wilderness Air	King Air 100/200/Navajo

* No longer operating

APPENDIX D

Air Carriers Capable of Serving the Island/Coast Region

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Carrier	Base	Contact	Phone Number	Equipment	Present Service
Air Nootka	Gold River	Roy Task Mike Mayor	283-2255	Float Cessna 180 (2), DHC-2 Beaver, Do-28 Twin Engine (1)	Scheduled service from Gold River to Tahsis, Kyquoot, Zeballos, Friendly Cove, Nootka Fish Camp and way points. Charter services Canada and the United States
Air Rainbow Ltd.	Nanaimo	Murray LeSage	753-0812	Float Cessna 185 (2), DHC-2 Beaver (4), Twin Beech D-18S (1)	Charter services Western Canada and the United States
AirBC	Richmond	Iain Harris	273-2464	Wheeled Twin Otters, Dash 7, Dash 8, Jet Stream 31 - Float Twin Otters - Jet BAe 146	Richmond to Campbell River, Nanaimo (Cassidy), Port Hardy, Powell River, Vancouver (Richmond and harbour), and Victoria (Sidney and harbour). Charter service to other destinations in Canada and the U.S.
Airspeed Aviation Inc.	Abbotsford	John Giberchat	852-9245	Wheeled Cessna 414 twin engine, Rockwell Aero Commander 685 twin engine	Scheduled service between Victoria and Abbotsford
Aviate Air Ltd.	Nanaimo				
Baxter Aviation	Nanaimo			Float - Beaver	Scheduled service Vancouver Harbour to Nanaimo
Canadian Eagle	Richmond	David Oliver	279-1500	Metrol	Scheduled service Vancouver, Port Hardy, Masset
Canadian Helicopters Limited	Richmond	Brian Kiegg	278-5502	Helicopters: Robinson R22, MD500, AS350B/D AS350, AS355F-1 Twin Star, AS332-L Super Puma, AS332-C Super Puma, MBB105, Sikorsky S61-L, Sikorsky S61-N, Sikorsky S76- A, Bell 212, Bell 204, Bell 205A-1, Bell 206-L1 Long Ranger, Bell 206-L Long Ranger, Bell 206 III, Bell 206B Jet Ranger	Charter services
Cooper Air Incorporated	Sidney	Richard Cooper	656-3968	Float Cessna 180, Cessna 185, Cessna 206	Charter services, sightseeing tours and training covering Vancouver Island, Mainland, the Gulf Islands and North West U.S.

APPENDIX D

Air Carriers Capable of Serving the Island/Coast Region

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Carrier	Base	Contact	Phone Number	Equipment	Present Service
Coval Air Ltd.	Campbell River	Clayton Hutchings	287-4371	Float DHC-3 Otter (3), DHC-2 Beaver, Cessna 185	Scheduled service to Vancouver and many destinations on the West Coast. Charter service available to any destination in Canada and the U.S.
Harbour Air (Affiliate service by JETWEST)	Richmond	Tim Carpay Peter Evans	278-3434 278-3478	Float Beaver, Cessna 185, Single Otter, Twin Otter - Wheeled King Air 90, King Air 100, King Air 200, Cessna 402 and 421	Scheduled services from Richmond to Duncan, Gulf Islands, and Victoria. Chartered services
Helijet Airways	Richmond		273-4688	Sikorsky S-76	Scheduled services from Richmond to Victoria (downtown) and to Vancouver (harbour)
Highland Helicopters Ltd.	Richmond	Terry Churcott	273-6161	Helicopters Bell 206, Bell 204, Bell 212	Charter services
Horizon Air Industries, Inc.	Seattle	Bill Ayer	(206) 431-4514	Wheeled Dash 8, Metro III, F-28	Scheduled services between Seattle, Vancouver, and Victoria
Hyack Air (1981) Ltd.	New Westminster	Jim Ellard	525-2411	Float de Havilland Beavers, Cessna 206, Cessna Turbo 206	Charter Services
Juan Air (1979) Ltd.	Victoria	Bruce Gorle	656-4312	Wheeled Cessna 172, Chiefian, Seneca-2	Charter services Western Canada and the United States
Kenmore Aviation	Seattle			Float	Seattle to several Island/Coast points
Lake Union Air Service	Seattle		1-800-826-1890	Float	Seattle to several Island/Coast points
Long Beach Helicopters Ltd.	Nanaimo	Peter Ochenschlager	758-0024	Helicopters Hughes 500D (on floats and skids) (3) (Licensed helipad in Nanaimo)	Charter services West Coast and Islands, British Columbia
New Air Charter Inc.	Sidney	Bernie Lhiromille	656-3937	Wheeled Piper Navajo, Islander, Piper Chiefian	Charter services, mainly courier and air freight

APPENDIX D

Air Carriers Capable of Serving the Island/Coast Region

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Carrier	Base	Contact	Phone Number	Equipment	Present Service
Orca Airlines (1987) Ltd.	Port McNeill	Tom Langdon	956-3339	Float Cessna 185, de Havilland Beaver	Port McNeill to Alert Bay, Echo Bay, Minstrel Island, Port Hardy, Seymour Inlet, Sullivan Bay Charter services
Pacific Coastal Airlines	Richmond	Quintin Smith	273-8666	Wheeled Grumman Geese, Piper Navajo, Piper Seneca, de Havilland Single Otters, de Havilland Beavers, Cessna 185's	Scheduled services Bella Bella/Shearwater, Texada Island, Hakai Pass, Rivers Inlet, Knight Inlet, Desolation Sound, Stuart Island, Qualicum and Powell River. Charter services Western Canada and the United States
Pacific Rim Airlines Ltd	Port Alberni	Lili Hofmann	724-4495	Wheeled Cessna 172, Piper Aztec PA23-250, Piper Seneca PA200 Float Cessna 185 (2), de Havilland DHC-2 Beaver (1)	Scheduled services from Port Alberni to Bamfield, Tofino, Vancouver Charter Services Western Canada
TimeAir	Richmond		329-0355	Wheeled Dash 7, Dash 8-300, Dash 8	Scheduled services from Richmond to Campbell River, Nanaimo (Cassidy), Port Hardy, Victoria (Sidney)
Trans Provincial Airlines	Prince Rupert	Gene Storey	627-1341	Wheeled Twin Otter, Cessna 206, Navajo Bristol 170 Freighter Amphibian Goose G-21A, DHC-3 Otter, DHC-2 Beaver, Cessna	Scheduled services from Prince Rupert to Bella Bella, Iskut, Masset, Port Hardy, Sandspit, Terrace, and other points
Tyee Airways	Sechelt	Al Campbell	885-2214	Float Cessna 180, Cessna 185, de Havilland Beaver (4)	Float services to Agamemnon Channel, Chatterbox Falls, Egmont, Hotham/sound, Jervis Inlet, McNabb Creek, Nanaimo (harbour), Narrows Inlet, Nelson Island, Pender Harbour, Princess Louisa Inlet, Ruby Lake, Sackinaw Lake, Salmon Inlet, Sechelt Inlet, Thormanby Island and Vancouver (harbour). Charter services West Coast B.C. and the United States

APPENDIX D

Air Carriers Capable of Serving the Island/Coast Region

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Carrier	Base	Contact	Phone Number	Equipment	Present Service
Vancouver Island Air Ltd.	Campbell River	Larry Langford	287-2433	Float 5 single and multi-engine aircraft (Cessna, Beaver, Beech 18).	Daily scheduled services from downtown Vancouver to Campbell River and points North. Charter and scheduled services from bases in Vancouver and Campbell River
Vancouver Island Helicopters Ltd.	Sidney	Ken Norie	656-3987	Helicopters Bell 206B, 205A-1, Hughes 500 D, Bell 222, Sikorsky S61	Charter Services West Coast B.C. and Islands
Waglida Air Inc.	Richmond	Chris Kent	278-3483	Wheeled Navajo PA31, Float de Havilland Beaver, Cessna 180	Charter services British Columbia and Western United States
Wallair	Courtenay			Cessna 172, Float Cessna 185	Charter services
Western Straits Air	Campbell River	Lee Frankham	287-9751	Float Cessna 180, Otter Amphibian, Turbo Otter	Charter services Campbell River, West Coast B.C. and United States
Wilderness Airline	Hagensborg	David Khal	982-2255		Scheduled services to Anahim Lake, Bella Coola, Campbell River, Dean River and Vancouver (Richmond)

APPENDIX E

Vancouver Island/Coast Airports

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Community	Operator	Contact	Pending History	Length	Width	Surface	Orientation	Nav. Aids	Light	Fuel	Services	Certification	Air Carriers
Alert Bay	Alert Bay (Village)	Mayor Gilbert Popovich 974-5213	B.C. Government 1978 - \$228,000 to gravel and pave runway, taxiway and apron 1987 - \$30,000 to extend runway base to 2700 ft. 1988 - \$5,000 to complete extension 1989 - \$30,000 for fuel facilities 1990 - \$12,500 to complete fuel installation	2500 ft (762m)	75 ft (23m)	Asphalt	09-27 elev. 220 ft asl	NDIB, no published approach	Nil	Nil	Nil, 1 km to Village	Category II, partial using, day only	Coast Air Orca Air Trans-Provincial Air Wagila Air
Bella Bella/Bella/Campbell Island	Bella Bella Airport Ltd.	Mike Green Heiltsuk Indian Band 957-2381	B.C. Government 1948 - \$50,000 J/P'd to First Citizens Fund 1948 - \$800,000 to extend and pave runway 1949 - \$150,000 to complete apron paving	3220 ft (982m)	75 ft (23m)	Asphalt	12-30 elev. 101 ft asl	NDIB, no published approach	Nil	Nil	ATB, Telephone	Certified, day only	AirBC Trans-Provincial Air Wagila Air Wilderness Airline
Bella Bella/Denay Island	Bella Bella Community A/P Society	957-2365	B.C. Government 1982 - \$350,000 to build 3 km road between new airport and Shearwater Dauphine base 1983 - \$200,000 to extend runway to 3000 ft 1984 - \$24,000 for topographic survey and design 1984 - \$25,000 to construct apron, taxiway 1985 - \$315,000 to complete gravel standard 1986 - \$400,000 to pave 3000 ft runway 1986 - \$51,000 to install powerline 1986 - \$43,000 to complete powerline	3554 ft (901m)	100 ft (30m)	Asphalt	10-28 elev. 162 ft asl	NDIB A, limits 1618 ft	Nil	Nil	Nil, 2 miles to village	2B non instrument, day only	AirBC Trans-Provincial Air Wagila Air Wilderness Airline
Bella Coola	Coastal Coast Reg. District	Conal Winkler 962-5433	B.C. Government 1978 - \$124,000 for air terminal building, site services 1981 - \$105,000 to repair and upgrade dyke around airport 1988 - \$180,000 to construct a new taxiway and apron 1988 - \$25,000 to complete apron, baggage area 1988 - \$25,000 for airport development planning	4000 ft (1220m)	100 ft (30m)	Asphalt	04-22 elev. 115 ft asl	Nil	Nil	80/100 Turbine	ATB, Telephone, Services available	Certified, 2B non instrument, day only	AirBC Trans-Provincial Air Wagila Air Wilderness Airline
Campbell River	Campbell River (District)	Ernie Dreger 923-5012	No B.C. Government Funding	5000 ft (1525m)	150 ft (45m)	Asphalt	11-29 elev. 346 ft asl	ILS Runway 11, limits 314 ft ft	Medium intensity, ARCAL, VASIS 11 and 20, RLS approach	80/100 Turbine (low head)	Telephone, Services available	Certified, day/night	AirBC Air Noodin Coast Air Okanagan Helicopters TimeAir Wagila Air Wilderness Airline

APPENDIX E

Vancouver Island/Coast Airports

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Community	Operator	Contact	Funding History	Length	Width	Surface	Orientation	Nav. Aids	Lights	Fuel	Services	Certification	Air Carriers
Comox	Dep't. National Defence	Lt. Col. Bishop 339-8429	No B.C. Government Funding	10,000 ft (3050m)	200 ft (60m)	Asphalt	11-29 elev. 84 ft aal	NDB RWY (DND), limits 623 ft agl	High intensity, PAPI 11 and 29, approach 11 and 29	100 Turbine	Telephone, Services available	Military Aerodrome, day/night	AirBC Burard Air TimeAir Prior permission required for civilian operations
Nesaimo	City of Nesaimo	245-2213	B.C. Government 1978 - \$287,000 to install runway lighting; relocate road 1979 - \$70,000 to install hazard beacons 1980 - \$120,000 to complete lighting system 1989 - \$425,000 to enlarge apron area	5000 ft (1525m)	200 ft (60m)	Asphalt	16-34 elev. 88 ft aal	NDB A, limits 941 ft agl; private MLS, company approach	Medium intensity, 3 hazard beacons, ARCAL, PAPI 34, VASIS 16, RILS	80/100 Turbine	ATB, Telephone, Services available	Certified, day/night	Numerous scheduled and chartered operators
Port Alberni	MacMillan Bloedel	683-6711	B.C. Government No funding history	2334 ft (770m)	150 ft (45m)	Turf	11-29 elev. 8 ft aal	Nil	Nil	80/100	Telephone, Services available	Certified, day	Coastal Aviation Coast Helicopters Pacific Rim Airlines
Port Alberni (Regional)	Alberni - Clayoquot	John Hornquist 723-2401	B.C. Government 1989 - \$300,000 to begin development of new airport	N/A	N/A	N/A	N/A	Nil	Nil	N/A	N/A	New airport under construction	N/A
Port Hardy	Transport Canada	946-6424	B.C. Government No Funding History	5000 ft (1525 m)	150 ft (45 m)	Asphalt	11-29 elev. 71 ft aal (3 Rwy)	ILS RWY 11, limits 517 ft agl	High intensity, VASTS, approach 11 and 29	80/100 Turbine	ATB, Telephone, Services available	Certified	AirBC Air Caledonia Time Air Trans-Portland Vancouver Island Helicopters Wagtail Air
Powell River	Powell River (District)	Fred Moss 485-4262	B.C. Government 1978 - \$222,000 for runway lighting and hazard beacon 1979 - \$30,000 to complete hazard beacon installation 1980 - \$46,000 for additional work to allow night ops 1980 - \$140,000 to relocate fuel facility; enlarge apron 1987 - \$25,000 to renovate hazard beacons	3627 ft (1106 m)	150 ft (45 m)	Asphalt	09-27 elev. 425 ft aal	NDB A, limits 775 ft agl	Medium intensity, 2 hazard beacons, ARCAL, VASIS and RILS	100 Turbine	ATB, Telephone, Services available	Certification 2C	AirBC Burard Air Powell Air Sushine Coast Air Services Type Airways

APPENDIX E

Vancouver Island/Coast Airports

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Community	Operator	Contact	Funding History	Length	Width	Surface	Orientation	Nav. Aids	Light	Fuel	Services	Certification	Air Carriers
Tofino	Transport Canada/Parks	725-4424	B.C. Government No funding history	5000 ft (1525 m)	150 ft (45 m)	Concrete	10-28 elev. 79 ft at (3 Rwy)	NDB Rwy 28, limits 764 ft agl	NIL	Turbine	Telephone available	Certified	Canada West Air Pacific Rim Airline Tofino Airlines Kona Borch Air Long Beach Helicopters
Victoria	Transport Canada	356-6600	B.C. Government No funding history	7000 ft (1325 m)	300 ft (90 m)	Asphalt	09-27 elev. 63 ft at (3 Rwy)	ILS/DME Rwy 09, limits 200 ft agl	High intensity, VASIS, RILS, approach, etc.	80/100 Turbine	ATIS, Telephone, Services available	Certified	Numerous scheduled and charter operations

APPENDIX F: COMMUNITY OVERVIEW

Table F-1 provides basic statistical information on each community.

Victoria Area

The Victoria area is located at the southern tip of Vancouver Island and has a population of approximately 270,000. The areas surrounding Victoria — Saanich, Metchosin, Sidney and Colwood are experiencing rapid growth. The City of Victoria is seeing a slower growth rate and has a relatively high proportion of retired citizens. The Victoria area is rich in beautiful scenery, parkland and waterfront.

The economy of Victoria relies heavily on the service industries, with the provincial and federal governments having the largest payrolls. The second-most-prominent source of employment is trade. Manufacturing is becoming less important.³⁸ Educational institutions such as the University of Victoria and Camosun College are becoming more important, as well as numerous research institutions in the area. Finally, there is logging, commercial fishing, agriculture and transport services. Forestry in the area is limited to manufacturing and is dependent on logs from elsewhere.

Tourism in the area is a major industry and a large employer, especially during the summer. The area, particularly Victoria, is a very popular and internationally acclaimed vacation spot. This is due to: its well-preserved historical sites and residential areas; its many museums, shops and restaurants; its recreational facilities and parks; and its temperate climate. Victoria's peak season for tourism is May to September. However, its climate allows for year-round outdoor recreation, golfing and fishing being all-season sports.

Nanaimo Area

Nanaimo is located on the east coast of Vancouver Island, about 100 kilometres north of Victoria, and is the Island's second-largest city. In 1986, the population of Greater Nanaimo area was 60,420. The population of Nanaimo city itself is currently 52,000. The waterfront is beautiful and the area has over two dozen parks.

³⁸This appendix draws heavily on the British Columbia Regional Index, Province of British Columbia.

The economy of the Nanaimo area was originally supported by the mining of coal, which was discovered in 1851. Now industry is dominated by forestry. MacMillan Bloedel has over 1,000 employees working at the Harmac pulp and lumber complex. Tourism is becoming an increasingly important industry. Commercial fishing is also prominent, with over 300 licenced fishing vessels in the area employing about 600 persons. There is also a small locally operated hatchery in the Nanaimo River. As well, in 1986 there were six active shellfish leases, and seven freshwater fish farms licenced in 1988.

The Nanaimo area is now becoming a holiday destination for travellers, not just a stopping point on the way to other destinations. The numerous parks and the beauty of Nanaimo's two harbours is enhanced by some of the attractions now set up for tourists. The Hudson's Bay Company Bastion is the site of tours and performances, along with the Centennial Museum. As well, the annual Bathtub Race across Georgia Strait to the beaches of Vancouver has become a major tourist attraction every July. Nanaimo is an ideal central location for touring the Gulf Islands to the south and Desolation Sound to the north. The harbour has the potential to moor over 500 boats, and many boat charters are available. Wildlife is another attraction in the area, with excellent opportunities for bird-watching as well as viewing the thousands of sea lions which come to feed. Nanaimo is directly accessible by ferry from both Horseshoe Bay in Vancouver and from Tsawwassen, making it easy for visitors to reach its shores.

Courtenay-Comox Area

The Courtenay-Comox area is a beautiful combination of green valley farmland and coastal mountains sloping to the ocean. The area is about 230 kilometres north of Victoria along the Island Highway, and includes the larger towns of Courtenay and Comox as well as a number of smaller communities. In 1986, the population of the area was 37,553.

The economy of the Courtenay-Comox area is diversified, relying less on the forest industry than either Campbell River or Port Alberni. However, forestry is still the major industry, with the medium-sized saw mill operated by Primex Forest Products Ltd. being the largest employer. There is a wide range of manufacturing in the area, including printing and publishing, boat-building, and specialty food products.

Mining was once a primary industry in Courtenay-Comox and was responsible for the initial settlement of the area in the 1880s. However, the

last of the Cumberland coal mines has been closed since the late 1930s. The extensive coal resources of the area may once again be important in future mining initiatives. Development proposals have included the export of thermal coal and the construction of a thermal power plant.

Commercial fishing in the area consists of approximately 255 vessels and employs over 400 people (1989 figures). As well, in 1985 there were over 100 active shellfish leases. Freshwater fishing is also a viable industry, with five freshwater fish farms licenced as of March 1988.

The Courtenay-Comox area holds many natural attractions to support its tourism industry. As the "gateway" to Forbidden Plateau and Mount Washington, the area provides beautiful coastal scenery, fishing, boating, camping, mountain climbing and skiing for year-round recreation. Mount Washington has excellent skiing facilities which serve Courtenay-Comox and Campbell River, as well as the rest of Vancouver Island.

Powell River Area

The Powell River area is located on the mainland coast directly across Georgia Strait from Comox. In 1986, the area's population was 18,374. Currently, the population of the City of Powell River is 17,600.

The economy is dominated by the forest industry, and MacMillan Bloedel's pulp and paper complex is a large employer. Besides forestry, employment is provided by the mining of iron ore at Texada Island. Also, there are approximately 150 commercial fishing vessels in the area and numerous aquaculture ventures.

Tourism in Powell River is primarily a summer industry. The area is a centre for boating, salt-water and fresh-water fishing, as well as deer hunting. The ferry service from Comox provides an Island connection for Powell River tourism.

Campbell River Area

Campbell River is located about half-way up the east coast of Vancouver Island, 266 kilometres north of Victoria. The District of Campbell River has grown rapidly in the past few years and today has a population of 27,000.

The economy of the area is diversified, with forest industries dominating. This includes a pulp and paper mill, sawmills, lumber production and

reforestation. There is also a large mining industry extracting copper, zinc and coal. Commercial fishing, shipping and marine supply services are other prominent industries. New activities, such as aquaculture, are being successfully introduced. The area's growing population also supports substantial new construction.

Tourism in the Campbell River area is a high-growth industry which is expected to become one of the main pillars of the local economy. Campbell River has long been internationally renowned for its salmon fishing and attracts a large number of tourists each year. In addition, Strathcona Park provides facilities for hiking, climbing and canoeing. In the winter, as in the Courtenay-Comox area, the ski hill at Mount Washington provides winter sports-life. Having relied heavily on sport-fishing as the mainstay of tourism in the past, Campbell River is making vigorous attempts to diversify its tourism industry.

The local chamber of commerce and the Campbell River Tourism Promotion Society have joined to promote the area's tourism potential. Presently, a marina with docking potential for 1,200 vessels (1,000 recreational and 200 commercial) is being constructed, and will lend support to the fishing industry. Adjacent to this marina will be a 202,000-square-foot shopping centre which should enhance tourist interest in the area. Linked to this development, a 2,500-passenger-and-550-vehicle ferry project has a proposed route between Vancouver, Campbell River, Prince Rupert and Ketchikan, Alaska. This 600-foot vessel will cruise the Inside Passage 52 weeks of the year. Campbell River could serve as an alternative point for embarkment on this voyage. The resulting steady flow of people through the Campbell River area would provide a solid, year-round base for the tourism industry.

Port Hardy Area

The Port Hardy area includes the northern most section of Vancouver Island. The area is mostly mountainous, forest-covered and coastal, with the town of Port Hardy itself at the end of the Island Highway some 500 kilometres north, by road, of Victoria. The population is 14,500 with the communities of Port Hardy and Port McNeill each accounting for approximately half.

The area's economy has three mainstays: forestry, fishing and mining. Together they provide over 4,000 jobs. The north Island is also diversifying its economy to include such industries as various forms of aquaculture. This diversification will be important in the near future, as ore reserves are

expected to be exhausted by the mid-1990s. Almost all the communities in this northern area are located on the oceanfront, with fishing and beachcombing activities accessible to everyone. There are over 300 freshwater lakes in the area, all of which provide tremendous recreational opportunities. The Queen of the North ferry departs from Bear Cove and makes its way up to the Queen Charlotte Islands during the summer months, bringing thousands of tourists to the area and generating millions of revenue dollars. With such natural resources to work with, Port Hardy tourism is rapidly becoming an economic keystone, generating over \$24 million in local business last year.

Port Alberni Area

Port Alberni is located at the inland tip of the Alberni Inlet on the west coast of Vancouver Island. The town is 194 kilometres by car up island from Victoria, and is the gateway to west coast points such as Tofino and Ucluelet. In 1986, Port Alberni and its economic community had a population of 30,341.

The economy of the area relies on the forest industry. Logging, lumber and plywood mills, as well as pulp, paper and newsprint plants are mainstays of the local economy. Less prominent industries include boat-building, fish processing, ready-mix concrete, dairy products, meat packing, and printing and publishing. Copper and gold deposits in the area hold great promise for future economic development in the mining industry. There are over 740 jobs provided directly by the estimated 432 commercial fishing vessels in the area, and these account for 20 per cent of the B.C. salmon yield. Many additional jobs are provided by the fish processing and packing plants. As well, there are two hatcheries, 14 shellfish leases, and 16 salmon farms operating in the area (1984 figures).

Tourism in the area is boosted by the presence of Pacific Rim National Park, with Long Beach being the principal attraction. Long Beach spans some 16 kilometres between the communities of Ucluelet and Tofino. As well, the West Coast Trail, following the rugged coast between Bamfield and Port Renfrew, is an international attraction. Fishing, whale-watching, kayaking and canoeing are also major outdoor attractions. A more sedentary adventure can be found on the decks of the M.V. Lady Rose which sails year-round between Port Alberni, Bamfield and Ucluelet. In addition, winter tourism could be enhanced by the proposed ski hill development at Mount Arrowsmith.

Parksville-Qualicum Area

The Parksville-Qualicum area is located 40 kilometres north of the City of Nanaimo, has a population of 21,760, and is considered to be the second-fastest-growing area in Region One. The area has a total land area of 102,100 hectares and includes the towns of Parksville and Qualicum Beach, and the communities of Arbutus Park, Beachcomber, Coombs, Dolphin Beach, Errington, Nanoose Estates and Nanoose Bay.

The leading sources of jobs in the area are retail trade and service industries supported mainly by tourism. Other industries present in the area are forestry (much valued for its stabilizing effect on the local economy), commercial fisheries (including hatchery operations), and agriculture. There is only limited manufacturing in the area.

Tourism is the most important factor in the area's economy. It is internationally known for its long, safe, sandy beaches and excellent fishing.

**Table F-1:
Vancouver Island/Coast Community Overview**

Victoria Statistics (1990, CMA)

Population	268,700
Percentage of Change in Population 1981-90	11.32
Total Retail Sales	\$2 billion
Retail Sales Per Capita	\$7,700
Total Personal Income	\$4 billion
Income Per Capita	\$16,000

1986 Census

Total Employment	114,250
Average Household Income	\$31,000
Average Household Transport Exp.	\$4,587

Leading Employers (1987, B.C. Regional Index)

BC Forest Products Ltd.
Times Colonist (publishers)
Westcraft Manufacturing
Kennemetal Ltd.
Nicholson Murdie Machines Ltd. (logging and small mill equipment)
Versatile Pacific Shipyards Inc.
Island Farms Dairies Co-op Association

Nanaimo Statistics, 1990

Population	63,500
Percentage of Change in Population 1981-90	10.11
Total Retail Sales	\$423 million
Retail Sales Per Capita	\$6,700
Total Personal Income	\$892 million
Income Per Capita	\$14,000

1986 Census Data

Total Employment	24,070
Average Household Income	\$29,276
Average Household Transport Exp.	\$4,464

Leading Employers (1987)

MacMillan Bloedel Ltd., pulp mill (over 1,000 employees)
CIPA Industries Ltd., pulp mill
Doman Forest Products, pulp mill
Mayo Forest Products, pulp mill
S. Madill Ltd., producer of specialized logging equipment

Courtenay-Comox Statistics (1990, CMA)

Population	39,000
Percentage of Change in Population 1981-90	10.41
Total Retail Sales	\$254 million
Retail Sales Per Capita	\$6,500
Total Personal Income	\$533 million
Income Per Capita	\$13,700

1986 Census

Total Employment	15,005
Average Household Income	\$28,765
Average Household Transport Exp.	\$4,399

Leading Employers (1987)

Primax Forest Products Ltd.
Dairyland
Edward W. Bickle Ltd. (printing and publishing)

Powell River Statistics (1990, CMA)

Population	17,600
Percentage of Change in Population 1981-90	-8.89
Total Retail Sales	\$123 million
Retail Sales Per Capita	\$7,000
Total Personal Income	\$256 million
Income Per Capita	\$14,500

1986 Census Data

Total Employment	6,920
Average Household Income	\$28,673
Average Household Transport Exp.	\$4,952

Leading Employer (1987)

MacMillan Bloedel Ltd., pulp and paper complex

Campbell River Statistics (1990, CMA)

Population	27,000
Percentage of Change in Population 1981-90	5.10
Total Retail Sales	\$198 million
Retail Sales Per Capita	\$7,300
Total Personal Income	\$425 million
Income Per Capital	\$15,800

1986 Census

Total Employment	11,645
Average Household Income	\$33,826
Average Household Transport Exp.	\$5,162

Leading Employers (1987)

MacMillan Bloedel
Fletcher Challenge

Port Hardy-Port MacNeill Statistics (1986 B.C. Regional Index)

Population	12,345
Percentage of Change in Population 1981-87	0
Total Income, Private Households	\$161 million
Labour Force	6,525
Average Household Income	\$39,732

Leading Employers (1987)

Western Pulp Ltd.
MacMillan Bloedel

Port Alberni Statistics (1990, CMA)

Population	24,200
Percentage of Change in Population 1981-90	-14.48
Total Retail Sales	\$184 million
Retail Sales Per Capita	\$7,600
Total Personal Income	\$391 million
Income Per Capita	\$16,200

1986 Census

Total Employment	9,860
Average Household Income	\$32,421
Average Household Transport Exp.	\$5,407

Leading Employers (1987)

MacMillan Bloedel, Saw Mills
MacMillan Bloedel, Plywood Division
MacMillan Bloedel, Timber Harvest
Fletcher Challenge, Timber Harvest

Parksville - Qualicum

Population (1986 Census)	21,760
Percentage of Change in Population 1981-860	12.1

1986 Census

Average Household Income	\$27,600
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Leading Employers (1987, B.C. Regional Index)

MacMillan Bloedel Ltd.

Appendix G

Page 1

Absolute Minimum Existing Scheduled Traffic, 1988
Origin - Destination

Place From	Place To	Outbound	Inbound	Total
Campbell River, BC	Calgary, ALTA	1530	1550	3080
	Edmonton, ALTA	1320	1240	2560
	Kamloops, BC	280	270	550
	Kelowna, BC	670	680	1350
	Montreal, QUE	240	260	500
	Ottawa, ONT	220	180	400
	Port Hardy, BC	430	330	760
	Prince George, BC	410	450	860
	Saskatoon, SASK	250	240	490
	Terrace, BC	200	180	380
	Toronto, ONT	860	800	1660
	Vancouver, BC	25770	25930	51700
	Victoria, BC	220	270	490
	Winnipeg, MAN	320	310	630
	Los Angeles, CA	380	390	770
	San Francisco, CA	400	370	770
	Seattle/Tacoma, WA	550	560	1110
	Other Cities	3060	3000	6060
Total		37110	37010	74120
Comox, BC	Calgary, ALTA	880	790	1670
	Edmonton, ALTA	1260	1030	2290
	Halifax, NS	680	330	1010
	Kelowna, BC	440	350	790
	Montreal, QUE	360	330	690
	Ottawa, ONT	510	380	890
	Prince George, BC	440	460	900
	Prince Rupert, BC	170	210	380
	Regina, SASK	290	250	540
	Saskatoon, SASK	240	220	460
	Toronto, ONT	1470	1220	2690
	Vancouver, BC	9500	9490	18990
	Winnipeg, MAN	590	490	1080
	Seattle/Tacoma, WA	210	180	390
	Other Cities	2510	2430	4940
Total		19550	18160	37710
Nanaimo, BC	Calgary, ALTA	2810	2640	5450
	Castlegar, BC	350	360	710
	Cranbrook, BC	500	500	1000
	Dawson Creek, BC	190	220	410
	Edmonton, ALTA	2610	2440	5050
	Ft. St. John, BC	170	200	370
	Halifax, NS	280	240	520
	Kamloops, BC	540	500	1040
	Kelowna, BC	940	970	1910
	Lethbridge, ALTA	310	360	670
	Montreal, QUE	410	370	780
	Ottawa, ONT	660	560	1220
	Penticton, BC	440	440	880
	Prince George, BC	1300	1360	2660

Appendix G

Page 2

Absolute Minimum Existing Scheduled Traffic, 1988
Origin - Destination

Place From	Place To	Outbound	Inbound	Total
Nanaimo, BC (cont)	Prince Rupert, BC	780	860	1640
	Regina, SASK	450	410	860
	Sandspit, BC	420	310	730
	Saskatoon, SASK	670	580	1250
	Terrace, BC	430	420	850
	Toronto, ONT	1970	1890	3860
	Vancouver, BC	16330	17550	33880
	Whitehorse, YT	210	200	410
	Williams Lake, BC	240	250	490
	Winnipeg, BC	1000	860	1860
	Seattle/Tacoma, WA	250	200	450
	Other Cities	2670	2460	5130
Total		36930	37150	74080
Port Hardy, BC	Campbell River, BC	330	430	760
	Edmonton, ALTA	250	240	490
	Toronto, ONT	280	250	530
	Vancouver, BC	13720	13680	27400
	Victoria, BC	800	890	1690
	San Francisco, CA	290	280	570
	Seattle/Tacoma, WA	320	280	600
	Other Cities	2140	2190	4330
Total		18130	18240	36370
Powell River, BC	Calgary, ALTA	260	200	460
	Edmonton, ALTA	250	190	440
	Kelowna, BC	170	210	380
	Toronto, ONT	260	220	480
	Vancouver, BC	11690	12980	24670
	Victoria, BC	270	280	550
	Other Cities	1440	1340	2780
Total		14340	15420	29760
Victoria, BC	Brandon, MAN	420	450	870
	Calgary, ALTA	42860	43440	86300
	Campbell River, BC	270	220	490
	Castlegar, BC	2580	2580	5160
	Charlottetown, PEI	200	240	440
	Cranbrook, BC	2520	2530	5050
	Dawson Creek, BC	1110	1150	2260
	Edmonton, ALTA	35110	33650	68760
	Fredricton, NB	480	430	910
	Ft. McMurray, ALTA	250	240	490
	Ft. St. John, BC	1370	1440	2810
	Grande Prairie, ALTA	500	580	1080
	Halifax, NS	6420	5190	11610
	Kamloops, BC	3490	3480	6970
	Kelowna, BC	7420	7180	14600
	Kingston, ONT	240	210	450
	Lethbridge, ALTA	1810	1840	3650
	London, ONT	580	660	1240
	Medicine Hat, ALTA	500	490	990

Appendix G

**Absolute Minimum Existing Scheduled Traffic, 1988
Origin - Destination**

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Place From	Place To	Outbound	Inbound	Total
Victoria, BC (cont)	Moncton, NB	170	220	390
	Montreal, QUE	6340	5390	11730
	Ottawa, ONT	13310	11930	25240
	Penticton, BC	2190	2160	4350
	Port Hardy, BC	890	800	1690
	Powell River, BC	280	270	550
	Prince George, BC	6090	6190	12280
	Prince Rupert, BC	2310	2350	4660
	Quebec, QUE	530	560	1090
	Quesnel, BC	600	570	1170
	Regina, SASK	8460	8030	16490
	Saint John, NB	250	310	560
	Sandspit, BC	1170	1100	2270
	Saskatoon, SASK	8280	7930	16210
	Smithers, BC	1030	1060	2090
	St. Johns, NFLD	540	510	1050
	Sudbury, ONT	240	320	560
	Sydney, NS	250	220	470
	Terrace, BC	2340	2310	4650
	Thunder Bay, ONT	790	780	1570
	Toronto, ONT	35270	32070	67340
	Vancouver, BC	87900	94440	182340
	Whitehorse, YT	1230	1230	2460
	Williams Lake, BC	1090	1170	2260
	Windsor, ONT	340	300	640
	Winnipeg, BC	14850	14330	29180
	Yellowknife, NWT	540	470	1010
	Boston, MA	420	360	780
	Chicago, IL	340	300	640
	Denver, CO	200	220	420
	Hawaii	1660	1650	3310
	Los Angeles, CA	2600	2560	5160
	Miami, FL	330	250	580
	New York, NY	670	670	1340
	Portland, ORE	220	190	410
	San Diego, CA	370	410	780
	San Francisco, CA	2130	2140	4270
	Seattle/Tacoma, WA	2370	2100	4470
	Tampa/St. Petersburg, FL	230	230	460
	Other Cities	5330	5020	10350
Total		322280	319120	641400

Source: Statistics Canada Catalogue No. 51-204, 1988.
 Statistics Canada Catalogue No. 51-205, 1988.

APPENDIX H: GOVERNMENT AND COMMUNITY CONTACTS

Campbell River, District of

Mary Ashley, Mayor, District of Campbell River, 287-2121
Ernie Dreger, Airport Manager, District of Campbell River, 923-5012
Patrick Marshall, Economic Development Officer, Campbell River, 287-2121
Roger McDonell, Manager, Chamber of Commerce, Campbell River, 286-0764
Norman McLaren, Executive Director, Campbell River Tourism, Campbell River, 286-1616

Courtenay-Comox

Ron Webber, Mayor, Courtenay, 334-4441
George Piercy, Mayor, Comox, 339-2202
William Moncrief, Mayor, Village of Cumberland, 336-2291
Lt-Colonel, Don Anderson, Base Administration Officer, Canadian Forces Base, Comox, 339-8206
Peter Gibson, Mount Washington Ski Resort Ltd., Courtenay, 338-1386
Walt Lengerke, Commissioner, Comox Valley Economic Development, Courtenay, 334-2427
Ellen Pawlina, Manager, Chamber of Commerce, Courtenay, 334-3234
Jack Turner, Chairman, Comox-Strathcona Regional District, Courtenay, 334-2427

Duncan

Earle Darling, Chairman, Cowichan Valley Regional District,
Greg Goodwin, General Manager, Cowichan Business Development Centre,
Duncan, 746-1004

Nanaimo, City of

Joy Leach, Mayor, Nanaimo, 754-4251
Jim Cameron, Regional Development Liaison Officer, Ministry of Regional and Economic Development, Vancouver Island/Coast, 755-2206
Joan Hiemstra, Manager, Chamber of Commerce, Nanaimo, 753-1191

Parksville-Qualicum

Jack Collins, Mayor, Qualicum Beach, 752-6921

Elaine Mooney, Chairman, Parksville Economic Development Committee,
248-2041

Port Alberni, City of

Gillian Trumper, Mayor, City of Port Alberni, 723-2146

Don Brooks, President, Port Alberni Chamber of Commerce, 724-6535

Mr. Ken Hutchinson, Economic Development Commissioner, Regional District
of Alberni-Clayoquot, 723-2188

Port Hardy-Port McNeill

Al Huddleston, Mayor, Port Hardy, 949-6665

Marie Bonney, Manager, Chamber of Commerce, Port Hardy, 949-7622

Elizabeth Harvey, Parks and Recreation Facilities, Port McNeill, 956-3301

Sonny Hinchcliffe, Acting Airport Manager, Transport Canada Air, Port Hardy,
949-7177

Annemarie Koch, Economic Development Officer, Regional District of
Mount Waddington, Port McNeill, 956-3301

Bill Shephard, Administrator, Regional District of Mount Waddington, Port
McNeill, 956-3301

Powell River, District of

Don Lockstead, Mayor, Powell River, 485-6291

Elke Cummings, Manager, Chamber of Commerce, Powell River, 485-4701

Victoria, City of

David Bachynski, Senior Policy Advisor - Air, Ministry of Transportation and
Highways, 387-5996

Lisa Gow, Regional Development Officer, Vancouver Island/Coast Region,
Ministry of Regional and Economic Development, 387-1232

Paul Norman, Purchasing Commission, 389-3356

Brian Small, Manager, Victoria Chamber of Commerce, 383-7191

Mark Johnston, Clerk, City of Victoria, 385-5711

APPENDIX I: SAMPLE CORPORATE RESULTS/QUESTIONNAIRE

APPENDIX I CORPORATE SURVEY RESULTS						
Number of Return Trips Between Communities in Region One						
	Port Alberni	Nanaimo	Campbell River	Powell River	Port Hardy	Courtenay/ Comox
Victoria	-	36	108	14	2	414
Campbell River	26	98	-	-	28	746
Powell River	4	4	15	-	1	21
Courtenay/ Comox	4	534	-	-	42	-
Nanaimo	8	-	-	-	56	-
Returned Surveys	1	2	15	6	1	11

Vancouver Island/Coast Transportation Survey

TWO MINUTE SURVEY

*Norma Fowler & Graham Gomme
Ministry of Regional and Economic Development
6th Floor, 712 Yates Street
Victoria, B.C. V8V 1X5*

Thank you for offering to assist us with our Vancouver Island/Coast transportation survey. If the results of this survey show significant transportation demand, they will be instrumental in our attempt to promote enhanced scheduled air services on the Island.

We have attempted to make this survey as brief as possible. In short, we are trying to determine the amount of business travel between different Island communities over a year's time, how much this travel is costing, and the travel modes used (car, corporate aircraft, scheduled air service, etc.). Please note that if exact data is not available, estimates based on your own experience are fine, and all information received will be combined such that it remains strictly confidential.

If you have any questions, please do not hesitate to call either Graham or myself at 435-5599 (FAX 435-5471). Once again, thank you for your assistance. We hope that the results of this project will benefit your company in the future.

Fill in available travel data from the last fiscal year for your company to the best of your knowledge.

	Total No. of Trips Per Year	Number by Scheduled Air Service	Number by Corporate Aircraft/Charter	Number by Car	Estimated Average Total Travel Cost to Company/Trip
Campbell River to: Victoria	_____	_____	_____	_____	_____
Courtenay/Comox	_____	_____	_____	_____	_____
Nanaimo	_____	_____	_____	_____	_____
Powell River	_____	_____	_____	_____	_____
Port Hardy/McNeill	_____	_____	_____	_____	_____
Port Alberni	_____	_____	_____	_____	_____

2. What other Island/Coast scheduled air services further to those already operating would you like to see implemented?

3. What price would your company be willing to pay (one-way, taxes included) for non-stop scheduled air service between the following:

Victoria to Port Hardy _____
Nanaimo to Campbell River _____
Victoria to Comox _____
Vancouver to Port Alberni _____
Campbell River to Victoria _____

4. What percentage of travel currently conducted by car would switch to air if those prices were offered? _____%
5. If blocks of 10 tickets were offered for Vancouver Island travel, what discount would you expect to receive? _____%
6. Which airline service Vancouver Island have you used in the past year?

	No. Times Used in Past Year		No. Times Used in Past Year
Air B.C. (Air Canada)	_____	Pacific Coastal Airlines	_____
Time Air (Canadian)	_____	Tyee Airways	_____
Orca Air	_____	Coval Air	_____
Burrard Air	_____	Other _____	_____

7. On average, how much does travel by car cost your company (per kilometre - in cents/km, taking into consideration the cost of fuel, insurance and depreciation of the vehicle)? 0-5 _____ 6-10 _____ 11-15 _____ 16-20 _____ 21-25 _____ 26-30 _____ 31-35 _____
Does the above figure include the cost of labour during travel? Yes _____ No _____
If not, how much does your company feel that "labour travel cost" amounts to while travelling? \$ _____

Please return this survey to the Chamber of Commerce (Fax 286-6490) so that we may forward them on.

Survey sponsored by the Campbell River & District Chamber of Commerce.